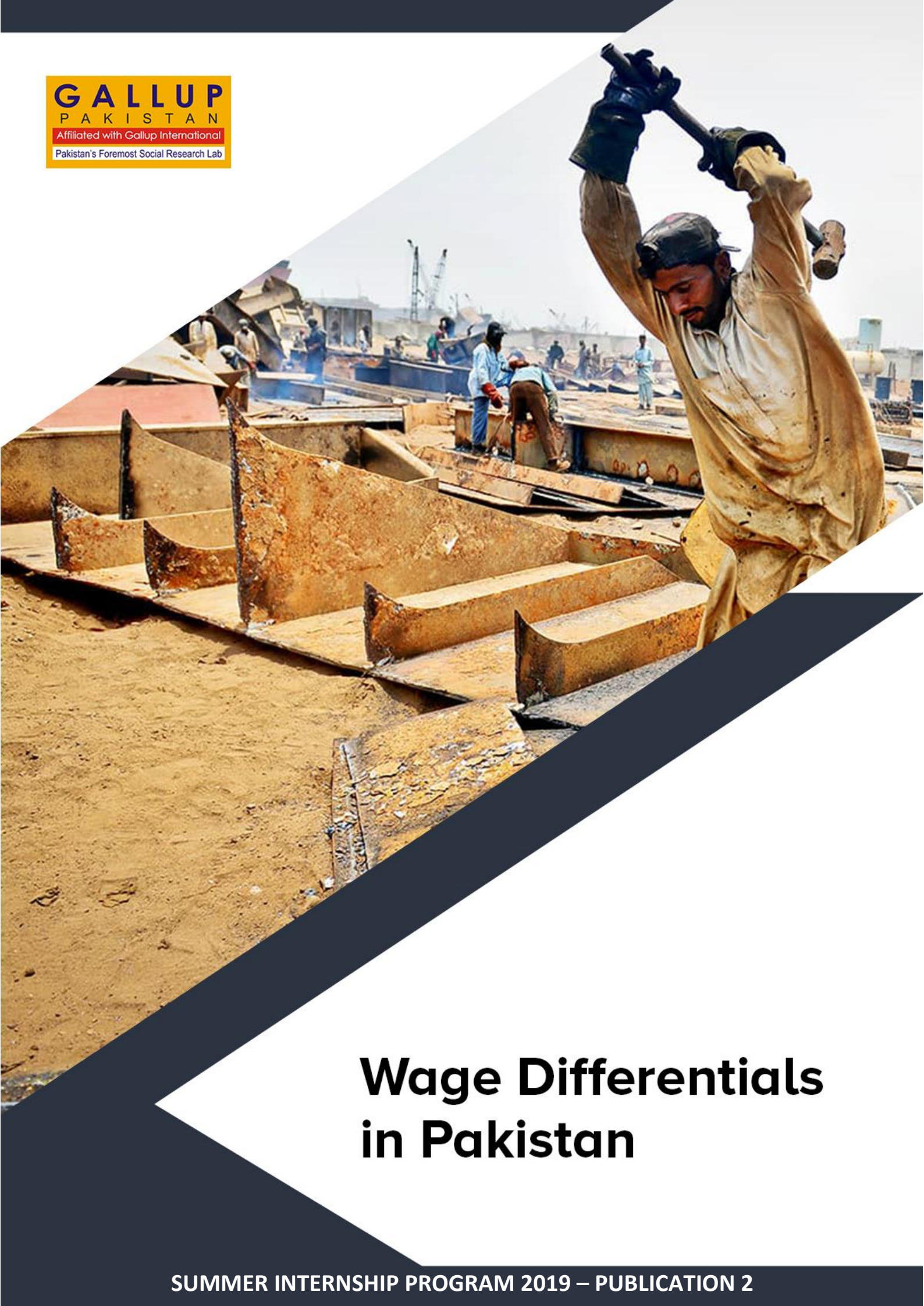




Wage Differentials in Pakistan

Dear Reader,

Gallup Pakistan is delighted to share with you some of the remarkable work done by our Summer Interns this year through our platform.

We believe that the real issue in Pakistan with respect to empirical decision making is not the lack of availability of data but lack of awareness about sources of data sets.

This publication focuses on **Wage Differentials in Pakistan**.

The main aim of this year's internship program was to engage our interns with the deluge of data available about Pakistan, process the complex information and convert it into usable information, upon which academics, journalists and also the common citizens can then build their expertise and analysis.

We accept that the analysis done by the interns may be quite rudimentary as they are not subject matter experts in relevant fields. However, the report attempts to convert dense data points and data sets into publicly usable information.

We are always happy to hear feedback on our efforts.

If you have any query or feedback regarding this exercise, please do not hesitate to contact Ms. Noor Un Nisa Shahid: noor@gallup.com.pk

Disclaimer: The views and inferences expressed in the article are that of the author herself and Gallup Pakistan does not take any responsibility in this regard.

SHORT ROUND UP ON WAGE DIFFERENTIALS IN PAKISTAN

By: Natasha Amir (Summer Intern 2019- Batch One)

Despite many efforts towards reducing the gender pay gap, Pakistani women still, on average, earn 40% less than men and this gap has widened further between 2014 and 2018; Gaps of 13% and 37% exist between the two genders even among categories of managers and professionals respectively.

According to the figures published in the Pakistan Labor Force Survey 2017-18, despite many efforts towards reducing the gender pay gap, Pakistani women still, on average, earn 40% less than men and this gap has widened further between 2014 and 2018. As of 2018, an average Pakistani woman is paid only 600 Rupees for every 1000 rupees paid to an average Pakistani man.

Section 1: Who earns how much?

Out of the major occupational groups, managers earn the highest income in Pakistan and elementary workers earn the least; however, there are differences between the wages of men and women in this area too. In 2014-15, male managers earned, on average, 12% more than female managers and there has been no significant reduction in this gap till 2017-18. Among clerical support workers, previously men earned 11% more than females however the gap has now increased to 33%. Interestingly however, the wage gap did reduce for certain occupations for instance, among professionals, men on average earned 40% more than women in 2014-15, but in 2017-18, this gap reduced to 37%. Among technicians and associate professionals, the gap reduced from 43% in 2014-2015 to 30% in 2017-18.

Although total nominal wages as well as those for males and females separately have increased between 2014-15 and 2017-18, however men continue to earn more than women. Women are also lagging behind in terms of growth in income; while male income increased by 26%, female income growth was slower at 22%.

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GROWTH IN MALE WAGES HIGHER THAN GROWTH IN FEMALE WAGES BETWEEN 2014 & 2018

Average Monthly Income (All values in PKR)

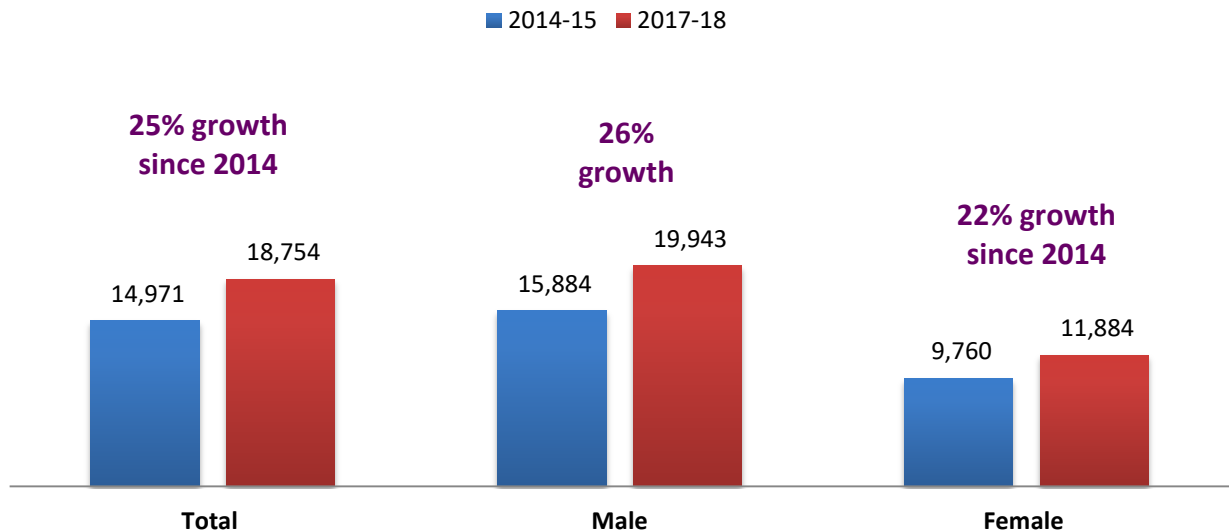


Figure 1: Changes in wages

Source: Pakistan Labor Force Survey 2017-18/ Analyzed by Gallup Pakistan

As of 2018, managers earn the most, on average PKR 56,944, followed by professionals earning PKR 31,536 and then clerical support workers earning PKR 27,712 on average. Figure 2 shows the income hierarchy. Total average income for the lowest earning group i.e. elementary occupations is PKR 12,770 in 2018.

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A MANAGER EARNS 346% OF AN ELEMENTARY WORKERS WAGE

Average Monthly Income by Occupation (All values in PKR)

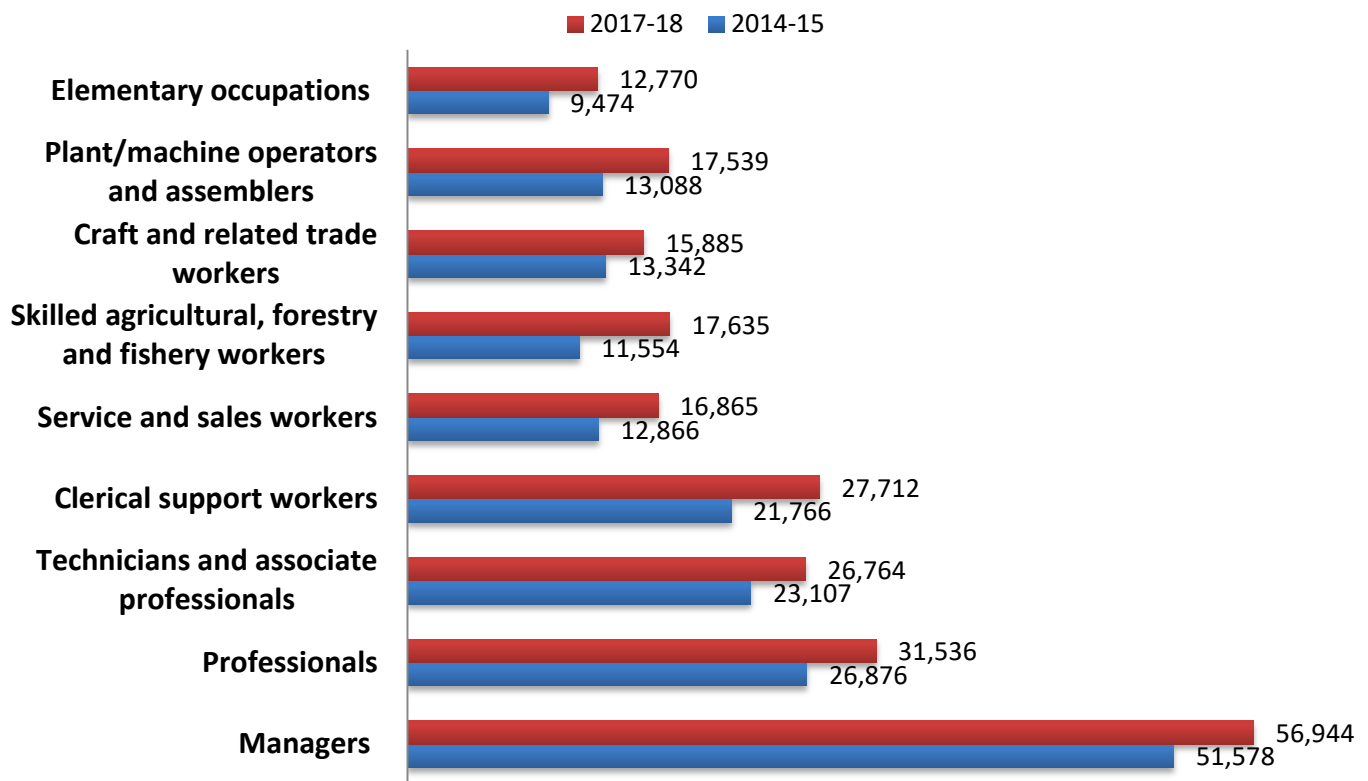


Figure 2: Average total incomes of different occupations between 2014 and 2018

Source: Pakistan Labor Force Survey 2017-18/ Analyzed by Gallup Pakistan

A MANAGER ON AVERAGE EARNS ALMOST 5 TIMES AS MUCH AS AN ELEMENTARY WORKER

Differential in Wages of Lowest and Highest Earners (All values in PKR)

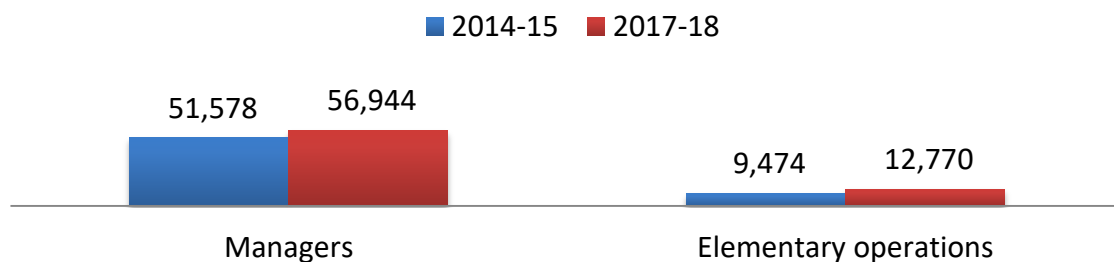


Figure 3: Average incomes of Managers and Elementary workers over the years

Source: Pakistan Labor Force Survey 2017-18/ Analyzed by Gallup Pakistan

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As shown in Figure 3, there was almost a 444% difference in the average incomes of the highest earning group and the lowest earning group in Pakistan's labor force in 2014-15 however this figure has reduced to 346% as of 2018, indicating a decline in inequality between the two groups at the extreme ends of the income spectrum.

Section 2: Wage Differential for Women

While total average monthly incomes rose between 2014-15 and 2017-18, and while inequality among occupations might have reduced slightly, the situation is rather bleak for the women workers, especially those in the relatively lower income bracket for example clerical support workers, elementary workers, craft and related trade workers.

ON AVERAGE, MEN EARN 40% MORE THAN WOMEN

Overall, as of 2018 men earn 40% more than women and the trend seems to be going upwards. Among clerical support workers, men earned 12% more than women in 2014-15 however, now they earn 48% more than the women in the same occupation. The gender pay gap for service and sale workers rose alarmingly from 7% to 20% between the years. In 2014, if a saleswoman was earning PKR 1000, then her male counterpart was earning PKR 1070. Now, if the saleswoman is earning 1000, then her male counterpart is earning 1200 rupees for the same occupation. The figures reveal a structural problem that must be tackled with immediacy.

Among skilled agricultural, forestry and fishery workers as well as craft and related trade workers, the gap is immense, roughly 200% in 2014-15. Workers performing elementary occupations also face a wide gender gap. While in 2014-15, male elementary workers earned 65% more than female elementary workers; in 2017-18 the males earned 116% more, indicating a significant expansion in the gendered wage gap of elementary workers.

There are some positive signs however, for example among plant/machine operators and assemblers, while males earned 83% more than females in 2014-15, this gap reduced to 52% in 2017-18.

Gender Wage Differential by Occupation in Pakistan 2014-15

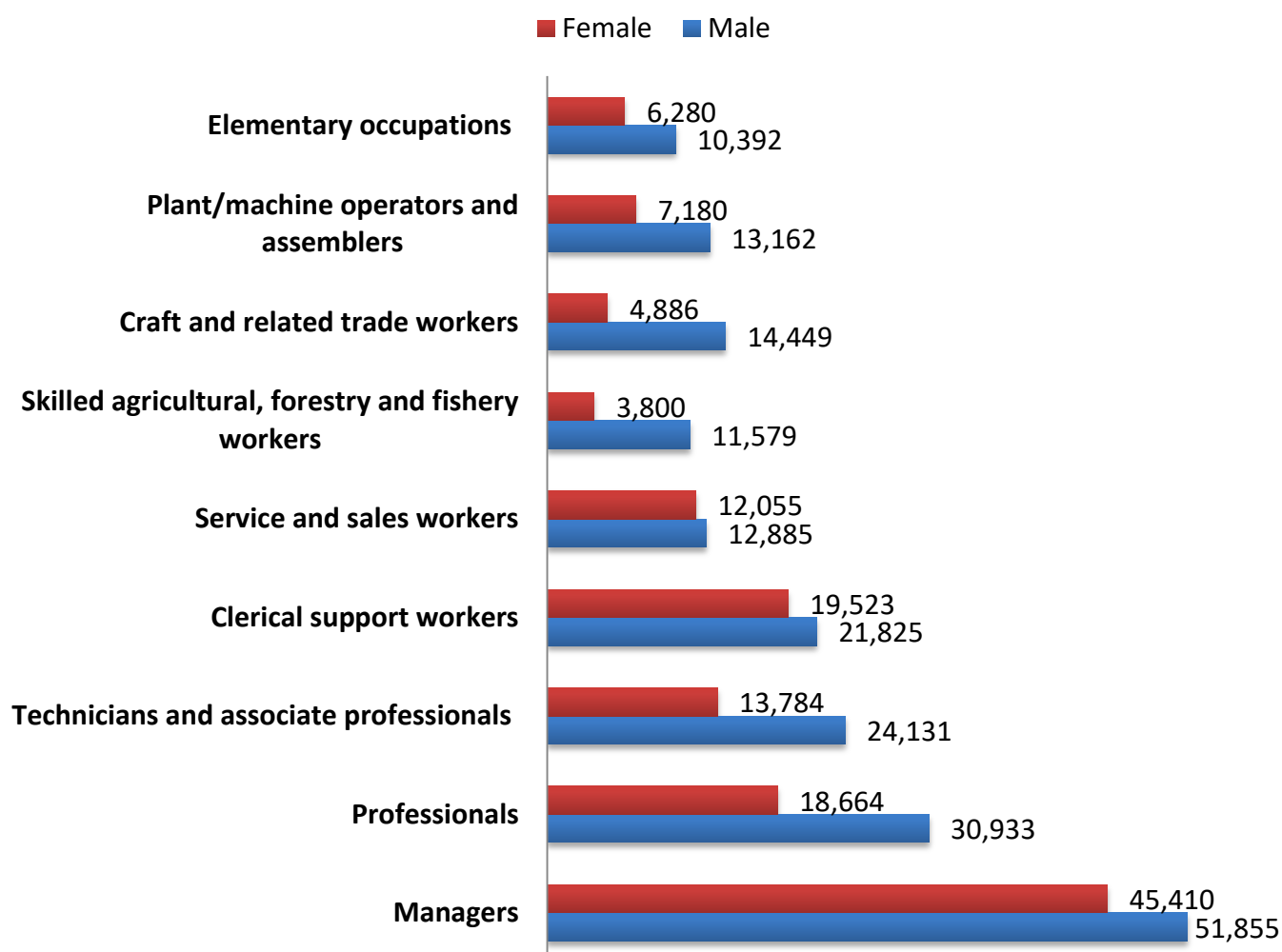


Figure 4: Occupation wise wages for male and female 2014-15

Source: Pakistan Labor Force Survey 2017-18/ Analyzed by Gallup Pakistan

GENDER WAGE GAP IS INCREASING IN PAKISTAN

Among all the different occupational groups, males earn higher than females and the gap has increased for most groups (as shown in Figure 4 and Figure 5). The gap is higher among occupations such as crafts and related trade, agricultural forestry and fishery workers. While Figure 2 shows that nominal average incomes rose over the years, Figure 5 and 6 shows that, apart from a few exceptions, there was no significant decrease in the wage gaps.

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Gender Wage Differential by Occupation in Pakistan 2017-18

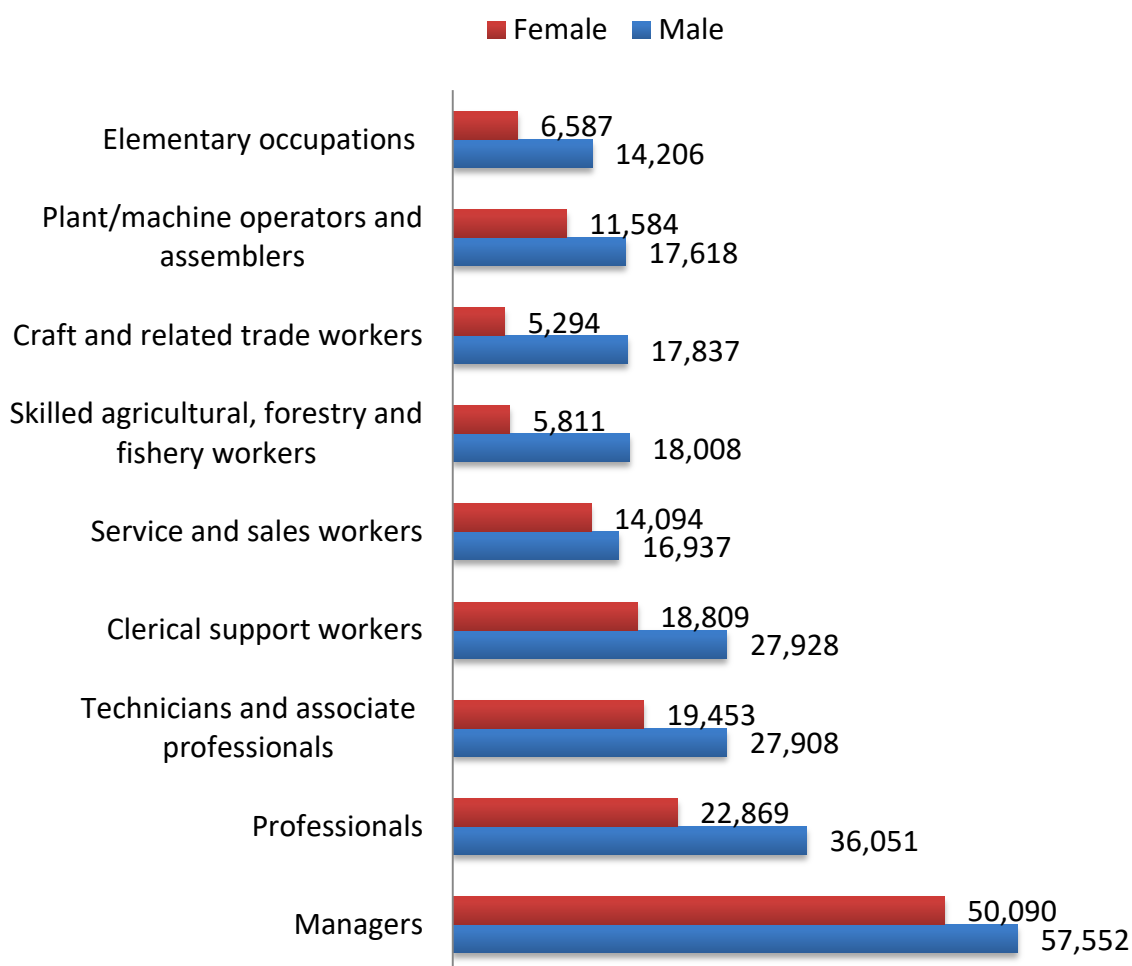


Figure 5: Occupation wise wages for male and female 2017-18

Occupation Type	Male (PKR)	Female (PKR)	Difference (PKR)
Managers	57,552	50,090	7,462
Professionals	36,051	22,869	13,182
Technicians and associate professionals	27,908	19,453	8,455
Clerical support workers	27,928	18,809	9,119
Service and sales workers	16,937	14,094	2,843
Skilled agricultural, forestry and fishery workers	18,008	5,811	12,197
Craft and related trade workers	17,837	5,294	12,543
Plant/machine operators and assemblers	17,618	11,584	6,034
Elementary occupations	14,206	6,587	7,619

Table 1: Gendered difference in incomes among different occupations (2018)

WAGE DIFFERENTIAL ROSE FOR 6 OUT OF 9 OCCUPATIONS

Gender Wage Differential by Occupation in Pakistan 2014-15 and 2017-18

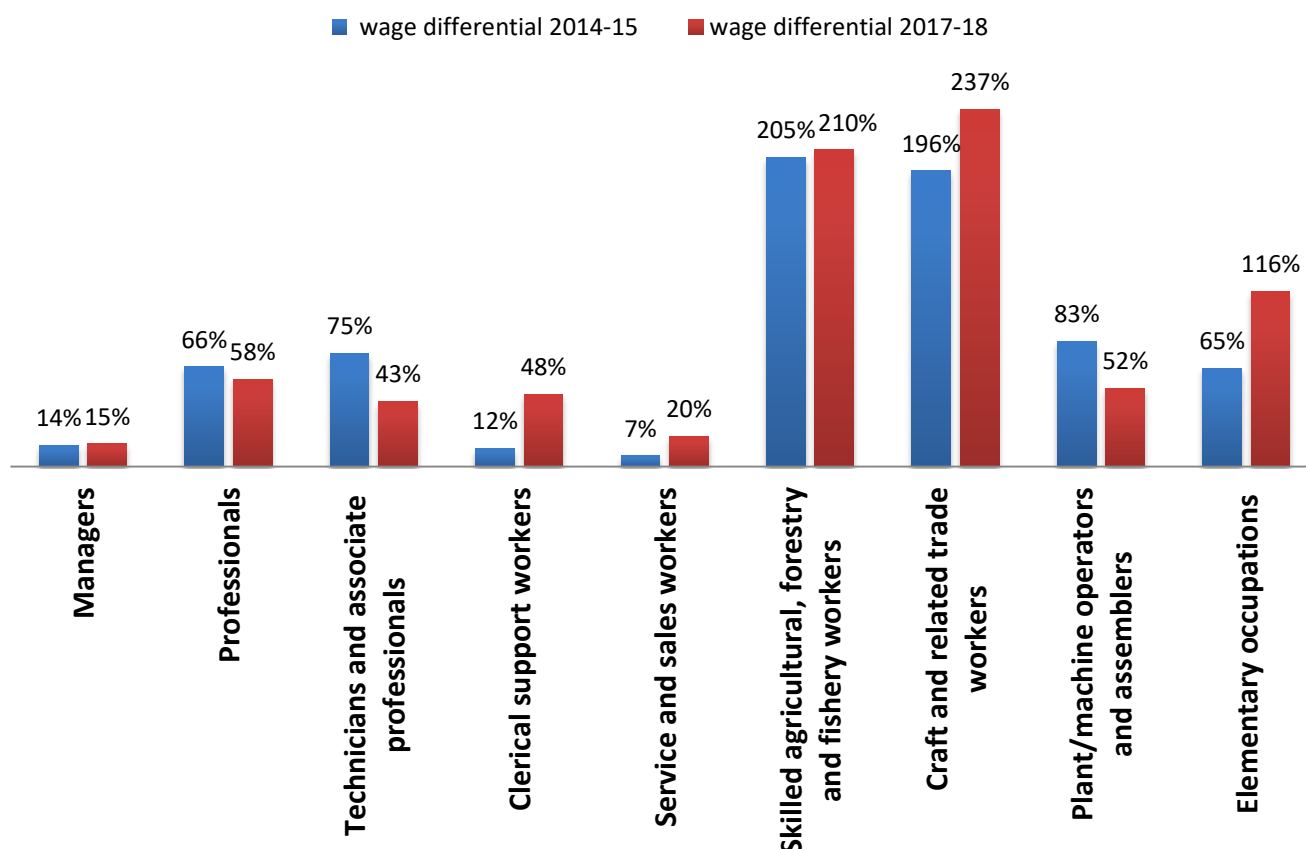


Figure 6: Changes in wage differential (in %)

Source: Pakistan Labor Force Survey 2017-18/ Analyzed by Gallup Pakistan

Figure 6 shows how the gender wage gap (in percentage) has changed from 2014-15 and 2017-18 for different occupations. The results show that the difference only reduced for technicians and associate professionals, professionals, and plant/machine operators and assemblers. It rose significantly for elementary occupations, service and sales workers and clerical support workers. Table 1 shows the situation as of 2018; how much more do men in different occupations earn as compared to their female counterparts.

Top 3 Occupations for which Gender Wage Differential Fell Between 2014 & 2018

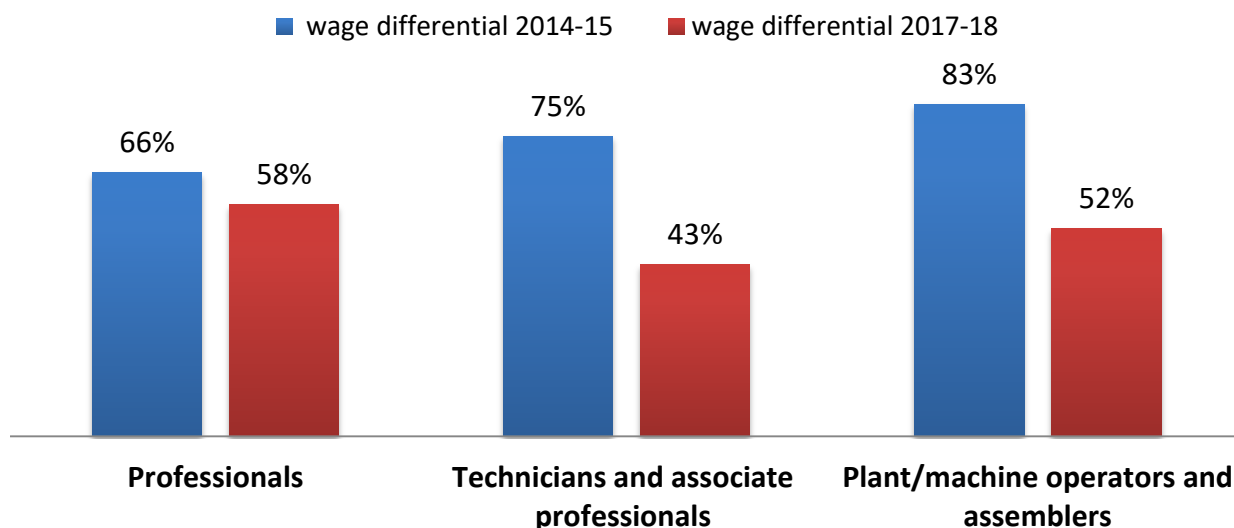


Figure 7: Occupations for which the differential reduced

Source: Pakistan Labor Force Survey 2017-18/ Analyzed by Gallup Pakistan

Figure 7 shows the top three occupations for which the gender wage differential fell; these were the professionals, technicians and associate professionals and plant/machine operators and assemblers.

Differences between male and female incomes reduced the most for technicians and associate professionals. In 2014-15, male technicians earned 75% more than female technicians but as of 2018, the difference has fallen to 43%. Earlier, male machine operators and assemblers earned 83% more than their female counterparts but this number also fell to 52%, improving the situation on women in this particular sector.

Top 3 Occupations for which Gender Wage Differential Rose Between 2014 & 2018

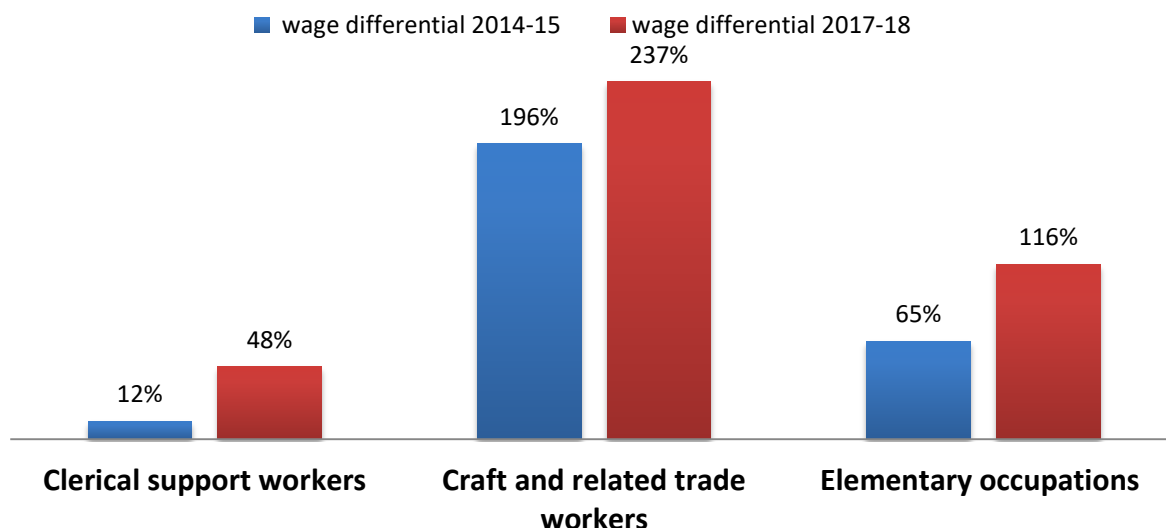


Figure 8: Top three occupations for which differential increased the most

Source: Pakistan Labor Force Survey 2017-18/ Analyzed by Gallup Pakistan

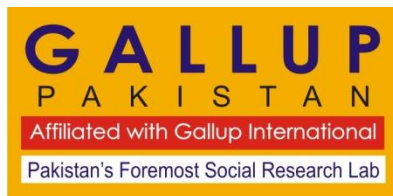
Figure 8 shows the top three occupations for which the gender wage differential rose. These were mostly the lower income earners; clerical support workers, craft and related trade workers and elementary workers.

Women in the lower income strata were already at a disadvantage and their situation has worsened over time. The wage gap has increased most for elementary occupations, followed by craft and related trade workers. While in 2014-15, males elementary occupations earned 65% more than females in elementary occupations; but as of 2018 the males in this occupation are earning a staggering 116% more than their female counterparts. In the crafts and related trade workers sector, while men earned 196% more than women in 2014, the difference has now increased to 237%. In 2014, while a female clerk made 12% of what her male counterpart made; now in 2018, she makes only 48% of what the male clerk makes.

It seems as though the gender wage gap reduced for the more educated sector of society such as the professionals and technicians; alternatively it worsened for clerical support and service and sales workers.

Section 3: Conclusion

Overall, there still exists a wide gap in Pakistan between the earnings of men and women across various occupations. Comparing data of 2014-15 and 2017-18 reveals that while there is no occupation in which women earn more than men, the gap itself has reduced only for technicians, and associate professionals and plant operators by a significant extent and slightly for professionals. Alternatively, the gap has widened significantly for clerical workers, elementary workers and service and sale workers. Pakistan still has a long way to go in overcoming this gap that disadvantages such a significant fraction of Pakistan's population. Educating women, encouraging female entrepreneurship and government interference to ensure equal pay for the same jobs would be steps in the right direction.



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