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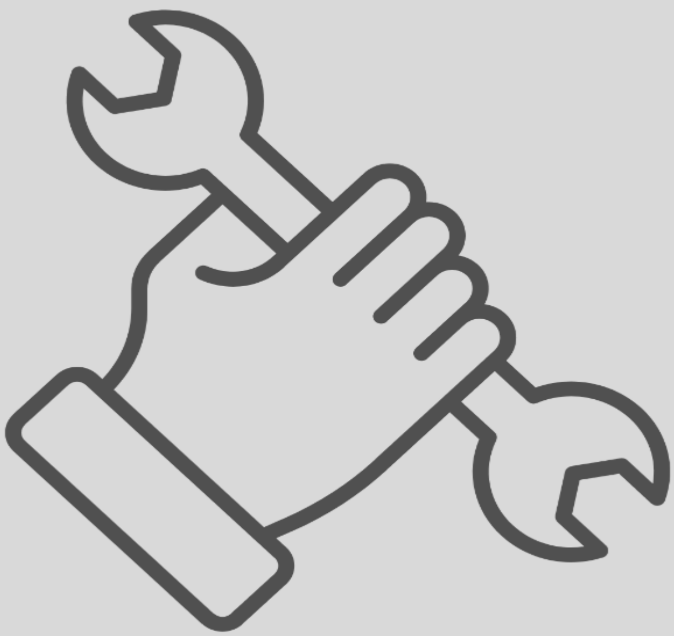
Gallup Pakistan Analysis of Labor Force Participation in Pakistan (LFS 2024–25)

Labor Force Participation



PRESS RELEASE

Gallup Pakistan Analysis of Labor Force Participation in Pakistan (LFS 2024–25)

Labor Force Participation Rises to 47.7% — Driven by Higher Female and Rural Engagement

Islamabad, February 4th, 2025

Drawing on the latest *Pakistan Labor Force Survey 2024–25* published by the Pakistan Bureau of Statistics (PBS), this edition of Gallup Pakistan's Big Data Analysis series examines how Pakistan's labor force participation has evolved over the last four years. With the labor force expanding from 71.8 million in 2020–21 to 85.6 million in 2024–25, participation rates have risen nationwide, driven significantly by women and rural populations. The results highlight both progress and persistent structural inequalities in Pakistan's labor market. (All labor market figures are based on the 13th ICLS framework unless otherwise specified.)

What is the Big Data Analysis Series by Gallup?

Gallup Pakistan's Big Data series was initiated by Bilal I. Gilani, Executive Director of Gallup Pakistan. As he explains: *"Pakistan does not suffer from a lack of data, but from limited accessibility and weak translation of numbers into understanding. Gallup Pakistan bridges this gap by analyzing large, often under-used datasets — from PSLM and Labour Force Surveys to Economic Surveys and National Census data — so these statistics can meaningfully inform policy and public discourse."*

What data points this current edition covers:

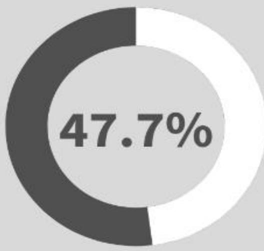
This analysis draws on labor force indicators from the Labor Force Survey 2024–25, comparing changes since 2020–21 in participation rates, gender gaps, regional patterns, and youth engagement. Key insights come from PBS tables in the *Executive Summary* and *Key Findings* sections (pages XI–XVI) as well as trend tables in Chapters 3 and 4.

Gallup Pakistan Analysis of Labor Force Participation in Pakistan (LFS 2024–25)

Labor Force Participation Rises to **47.7%** — Driven by Higher Female and Rural Engagement

Labor Force Participation:

Pakistan's Labor Force Participation Rate (LFPR) rose from 44.9% to 47.7%, marking a continued upward shift in economic engagement.



Labor Force Expansion:

Pakistan's labor force expanded by **13.8** million since 2020–21—an average annual increase of **3.5** million people.

Long-term trends from 2010–2024 indicate slow but steady progress, though urban labor markets show persistent stagnation.

Youth Participation:

Youth participation has also improved, especially among those aged 15–29, where LFPR increased to **50.6%**.

Female Labor Force Participation:

Female LFPR increased significantly—from **21.4%** to **24.4%**—yet the gender gap remains a striking 45 percentage points.

Rural Participation

Rural participation is rising much faster than urban areas, with rural LFPR reaching **52.3%** compared to an urban LFPR of **40.8%**.

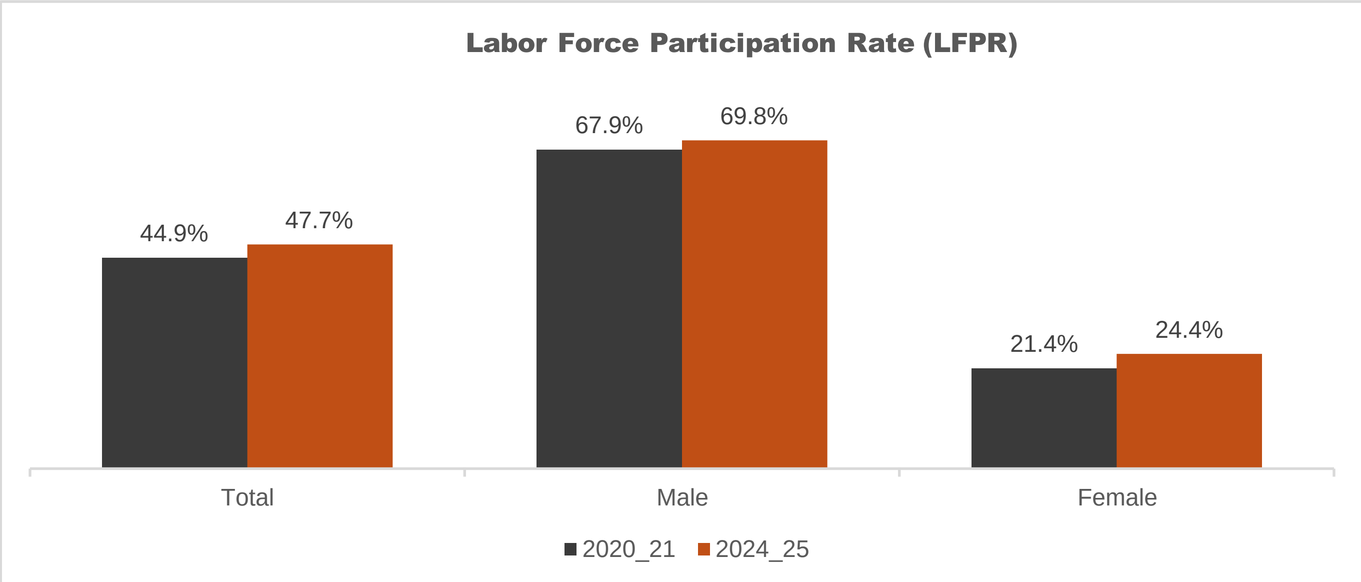
Punjab MICS 2023–24 (Bureau of Statistics Punjab & UNICEF)

Key Findings:

1. Pakistan's Labor Force Participation Rate (LFPR) rose from 44.9% to 47.7%, marking a continued upward shift in economic engagement.
2. Female LFPR increased significantly—from 21.4% to 24.4%—yet the gender gap remains a striking 45 percentage points.
3. Rural participation is rising much faster than urban areas, with rural LFPR reaching 52.3% compared to an urban LFPR of 40.8%.
4. Youth participation has also improved, especially among those aged 15–29, where LFPR increased to 50.6%.
5. Pakistan's labor force expanded by 13.8 million since 2020–21—an average annual increase of 3.5 million people.
6. Long-term trends from 2010–2024 indicate slow but steady progress, though urban labor markets show persistent stagnation.

1. Overall Labor Force Participation Rises to 47.7%

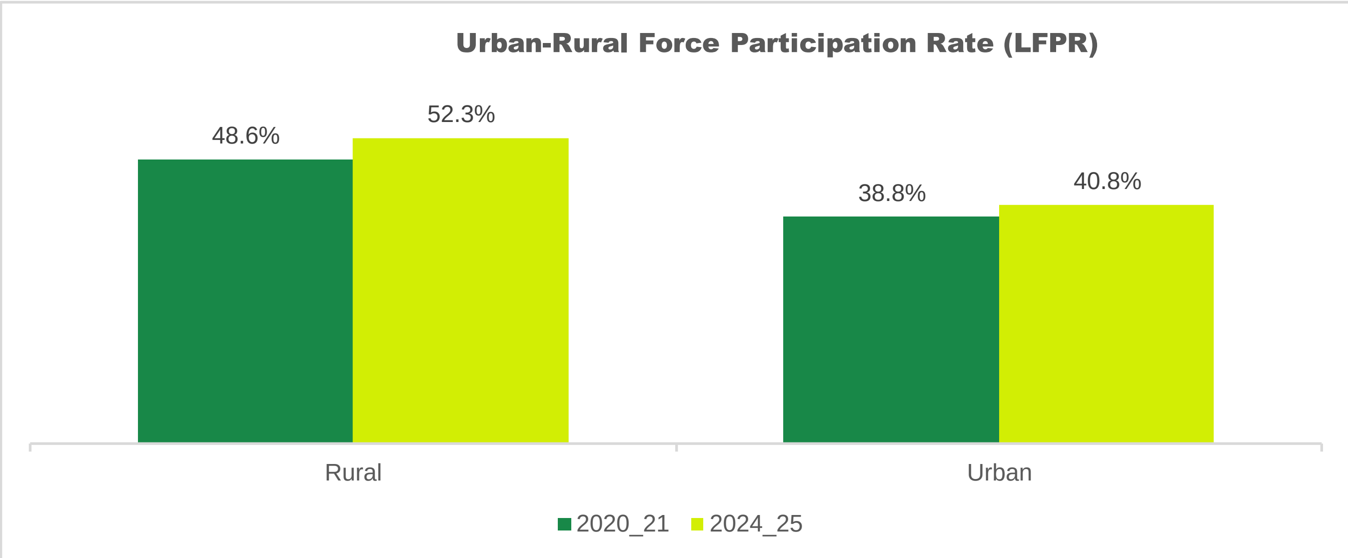
Pakistan's LFPR increasing from 44.9% in 2020–21 to 47.7% in 2024–25 represents meaningful progress in national economic engagement. This rise reflects both demographic changes and a broadening of the types of economic activities being captured in the labor market. The increase in male participation—from 67.9% to 69.8%—is modest but consistent, signaling sustained attachment to economic activity. More notably, female participation has risen from 21.4% to 24.4%, signaling early but important shifts in gender dynamics as more women enter or remain in the labor market. Despite this progress, the overall LFPR increase remains gradual, suggesting that structural constraints in Pakistan's economy continue to limit the pace of labor market expansion.



***Source**: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.*

2. Rural Areas Drive the Increase in Participation

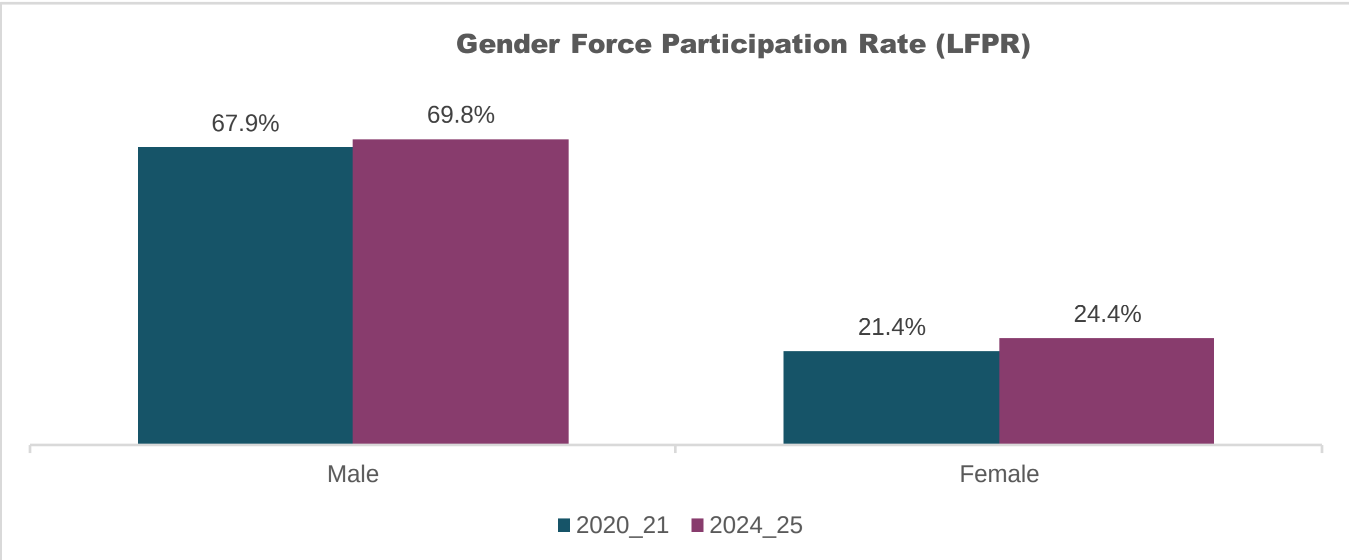
The sharpest gains in participation come from rural Pakistan, where LFPR increased from 48.6% to 52.3%, compared with only a slight rise in urban areas—from 38.8% to 40.8%. This rural momentum reflects several intertwined factors. Rural households often rely on diversified economic roles involving agriculture, livestock management, day labor, and home-based production—activities that engage multiple household members. Rising inflation and economic pressures have also pushed more rural family members into work, contributing to higher participation rates. In contrast, urban areas show limited growth due to slower job creation, higher entry barriers into the formal economy, and greater competition for stable employment. This widening rural–urban gap suggests that Pakistan's labor market expansion is being driven not by formal sector growth but by necessity-based economic engagement in rural contexts.



***Source**: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.*

3. Gender Gaps Remain Wide Despite Progress

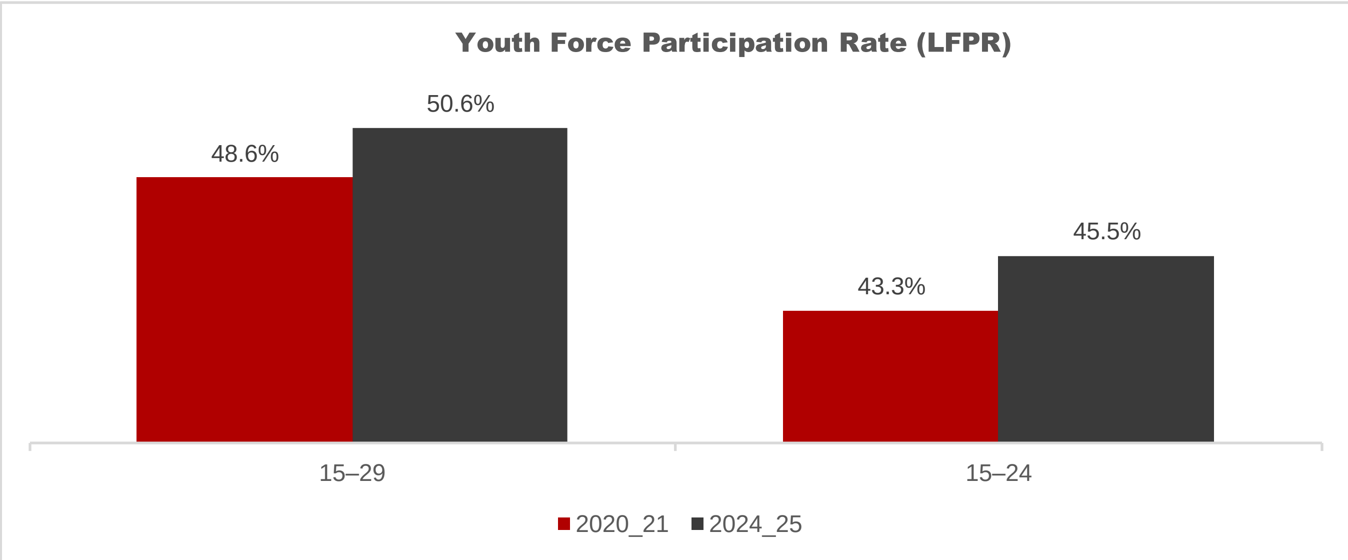
While female LFPR increased from 21.4% to 24.4%, the gender gap remains stark. Male participation stands at 69.8%, creating a 45-percentage-point difference that remains one of the largest in the region. This gap reflects deep-rooted social and structural inequalities. Women's work continues to be shaped by domestic responsibilities, limited mobility, safety concerns, and cultural norms that restrict participation in certain types of employment. Even where opportunities exist, women tend to be concentrated in low-paying and informal roles, such as home-based work, agricultural labor, and unpaid family contributions. The rise in female LFPR is promising, but the scale of inequality indicates that Pakistan's economy continues to operate far below its potential, with millions of working-age women unable to convert their skills into economic participation.



***Source**: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.*

4. Youth Participation Shows Mild Improvement

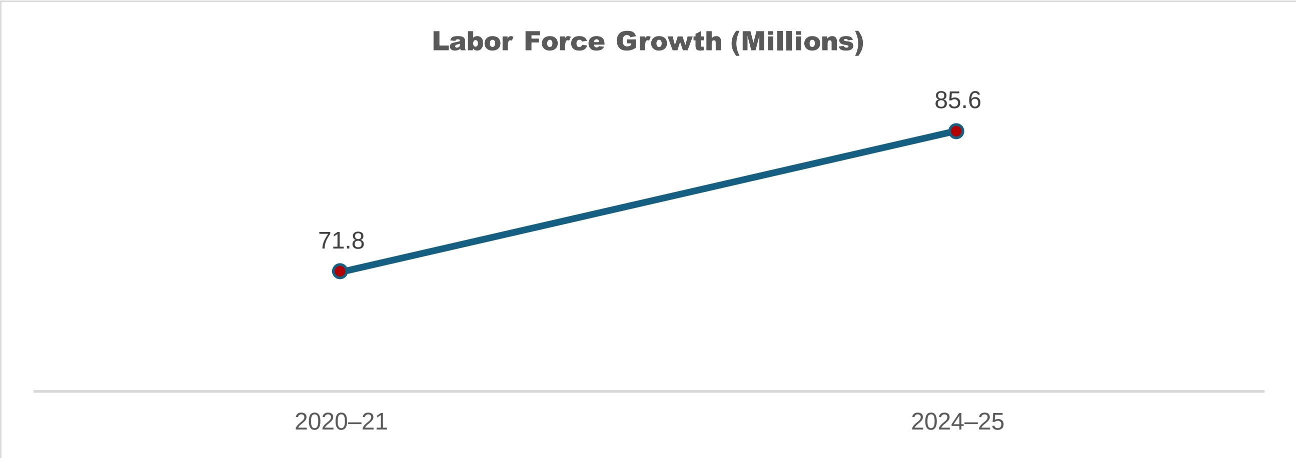
Young Pakistanis, particularly those aged 15–29, continue to be central to Pakistan's labour market dynamics. Their LFPR rising from 48.6% to 50.6% suggests that more young people are actively seeking or engaging in work. This trend is partly driven by economic necessity; as young individuals increasingly contribute to household income amid rising living costs. Yet, the improvement masks significant gender disparities: young women enter the labor market at much lower rates due to educational pathways, caregiving expectations, and mobility barriers. Moreover, while more youth are participating, this does not necessarily indicate access to stable or adequately paid work—especially given Pakistan's rising youth unemployment.



***Source**: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.*

5. Labor Force Expands by 13.8 Million Since 2020–21

The labor force has grown from 71.8 million to 85.6 million within four years, amounting to an annual increase of 3.5 million people. This rapid rise is driven largely by demographic pressure—Pakistan is one of the youngest countries in the world—and the growing need for multiple earners within households. Such expansion places significant pressure on job creation, skills training, and economic planning. Unless Pakistan's labor market can absorb the growing workforce, the country may face widening employment gaps, underemployment, and a potential rise in informal and precarious forms of work.



***Source**: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.*

6. Long-Term Trends Show Gradual Improvement but Urban Stagnation

A review of labor force trends from 2010 to 2024 reveals a steady but slow rise in participation, particularly among women. Over time, female LFPR has edged upward, reflecting changing social attitudes, educational gains, and gradual economic necessity. However, urban participation has remained largely stagnant, with little improvement over the last decade. This stagnation suggests limited dynamism in urban labor markets, where formal sector growth has been slow and where automation, competition, and job scarcity constrain opportunities. Rural Pakistan continues to absorb more workers out of necessity, reinforcing a labor market reliant on lower-productivity sectors.

7. Implications for Policy and Development

Pakistan's rising labor force participation is encouraging, but the underlying patterns reveal structural vulnerabilities. The largest untapped resource remains women, whose economic contribution could transform national productivity if barriers were reduced. Urban labor markets require revitalization through diversified industries, SME development, and job creation initiatives. Meanwhile, rural labor markets must be supported through improved skills, technology adoption, and better integration into value chains. Enhancing participation without improving job quality risks deepening economic precocity.

About the Labor Force Survey (LFS) 2024–25

The *Labor Force Survey (LFS) 2024–25* is Pakistan's most comprehensive national survey on employment, labor market structure, and workforce participation. Conducted annually by the Pakistan Bureau of Statistics (PBS), the LFS provides detailed insights into the size and characteristics of the labor force, employment patterns, sectoral distribution, informality, wages, and demographic differentials across age, gender, province, and rural–urban divides.

The 2024–25 edition covers a nationally representative sample drawn through a stratified two-stage design across all four provinces, enabling robust comparisons between regions and demographic groups. The survey generates labor market indicators using internationally recognized standards, including the 13th ICLS (International Conference of Labor Statisticians) framework and the updated 19th ICLS definitions, capturing both traditional employment and emerging forms of work such as gig and platform-based activities.

The report serves as a critical evidence base for policymakers, researchers, development partners, and labor economists seeking to understand the evolving dynamics of Pakistan's workforce. By documenting shifts in labor force participation, employment, unemployment, wages, sectoral transitions, and informal economy trends, the LFS helps inform national strategies on economic planning, job creation, skills development, and gender inclusion.

Gallup Pakistan's analysis draws exclusively from this PBS-published dataset to translate complex statistical findings into accessible insights to support public understanding and policymaking.

Wish to Contribute to Gallup Big Data Analysis?

Gallup Pakistan is looking for collaboration with researchers to expand the Big Data Analysis project. If you have any ideas, please write to Bilal I Gilani, Project Director, Big Data Analysis at Gallup Pakistan.

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Contact Details:
Islamabad : +92 51 2655630
Email: isb@gallup.com.pk
www.gallup-international.com