



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

Employment Growth and Sectoral Shifts in Pakistan



PRESS RELEASE

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Employment Rises to 79.7 Million — But Growth Concentrates in Low-Productivity and Informal Service Sectors

Islamabad, February 11th, 2026

Building on the latest *Labor Force Survey 2024–25* published by the Pakistan Bureau of Statistics (PBS), Gallup Pakistan’s Big Data Analysis Series examines employment levels, shifts across agriculture–industry–services, gendered labor force dynamics, and urban–rural patterns. While employment has expanded significantly since 2020–21, the structure of this growth raises concerns about Pakistan’s long-term economic resilience, industrial stagnation, and deep gender disparities.

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 Labor 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 primarily on key labor market indicators reported in the *Labor Force Survey 2024–25*, including:

- Employment levels and yearly additions
- Sectoral distribution of employment under the 13th ICLS and 19th ICLS frameworks
- Gender composition of employment, including women’s concentration in agriculture and men’s predominance in trade and services
- Urban–rural sectoral disparities, using detailed occupational and industry tables from Chapter 4 (Pages 41–52)

These datasets collectively illuminate how Pakistan’s labor market is evolving, where job creation is concentrated, and which groups and regions are either benefiting or being left behind.

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Employment increased from **67.3** million to **79.7** million, adding 12.4 million workers since 2020–21— But Growth Concentrates in Low-Productivity and Informal Service Sectors

Services:

The services sector expanded most strongly, rising from **37.2%** to **39.9%** of total employment.

2020-21 **37.2%**

2024-25 **39.9%**

Interpretation:

Pakistan's labor market is experiencing a services-led but low-productivity shift, with little industrial development to support sustainable growth.



Agriculture:

Agriculture continues to decline in its employment share, from **37.4%** to **35.1%**, though it remains the largest employer of rural workers and women.



Gender Composition in Agriculture:

61.4% of employed women work in agriculture, versus only **24.5%** of men, revealing structural gender segmentation.



Urban–Rural Employment Patterns:

Urban economies are diversifying into trade, transport, and community services, while rural economies remain locked into agriculture.

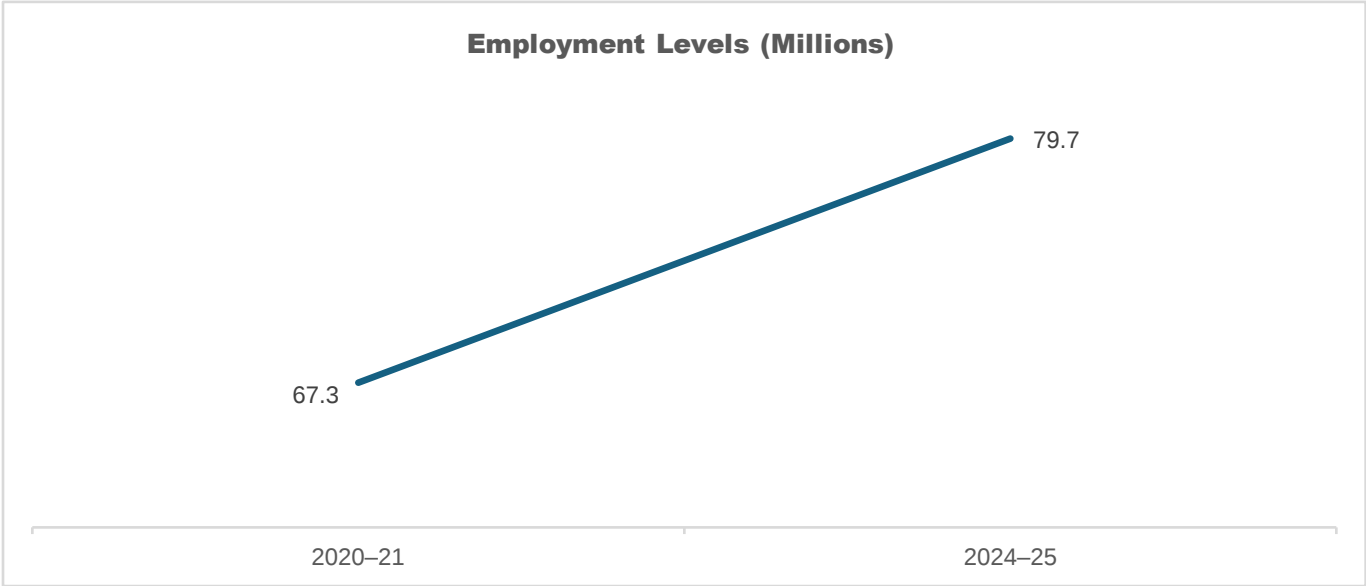
Key Findings:

1. Employment increased from 67.3 million to 79.7 million, adding 12.4 million workers since 2020–21.
2. The services sector expanded most strongly, rising from 37.2% to 39.9% of total employment.
3. Agriculture continues to decline in its employment share, from 37.4% to 35.1%, though it remains the largest employer of rural workers and women.
4. 61.4% of employed women work in agriculture, versus only 24.5% of men, revealing structural gender segmentation.
5. Urban economies are diversifying into trade, transport, and community services, while rural economies remain locked into agriculture.
6. Pakistan's labor market is experiencing a services-led but low-productivity shift, with little industrial development to support sustainable growth.

1. Employment Levels Rise to 79.7 Million — A Growing Workforce but Unbalanced Structure

Pakistan’s Employment under the 13th ICLS definition rose sharply from 67.3 million in 2020–21 to 79.7 million in 2024–25, an increase of 12.4 million workers over four years. This translates to 3.1 million new workers entering employment each year, signaling both the demographic weight of Pakistan’s youth and an intensifying household-level need for multiple earners in a struggling economy.

However, this expansion masks structural weaknesses. Much of the new employment is absorbed by low-productivity and informal segments of the services sector. Industrial employment, which typically drives sustained economic growth, remains stagnant. While more Pakistanis are working, the quality and productivity of these jobs remain low, raising concerns about underemployment and the economy’s ability to generate meaningful upward mobility.



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

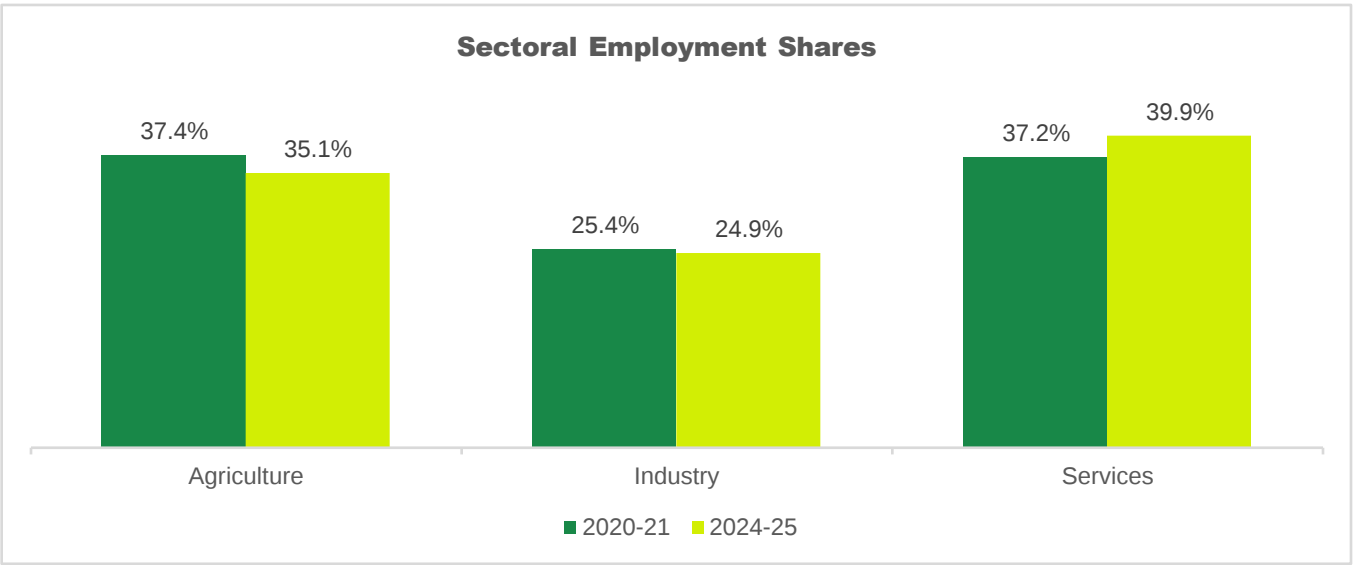
2. Pakistan’s Employment Structure Is Shifting Toward Services, Not Industry

The Sectoral data from PBS show a clear redistribution of employment:

- Agriculture fell from 37.4% → 35.1%
- Industry dipped slightly from 25.4% → 24.9%
- Services rose from 37.2% → 39.9%

This shift reflects a slow movement out of agriculture but without a corresponding rise in industrial jobs, which historically form the backbone of economic transformation. Instead, Pakistan is experiencing a services-led transition, with job growth concentrated in retail trade, transport, personal services, and other informal activities.

While the growing services sector provides job opportunities, it also underscores a worrying trend: the economy is relying on low-skill, low-wage services to absorb its workforce, bypassing manufacturing-led development. Without stronger industrial growth, Pakistan risks locking itself into a pattern of limited productivity gains and stagnant incomes.



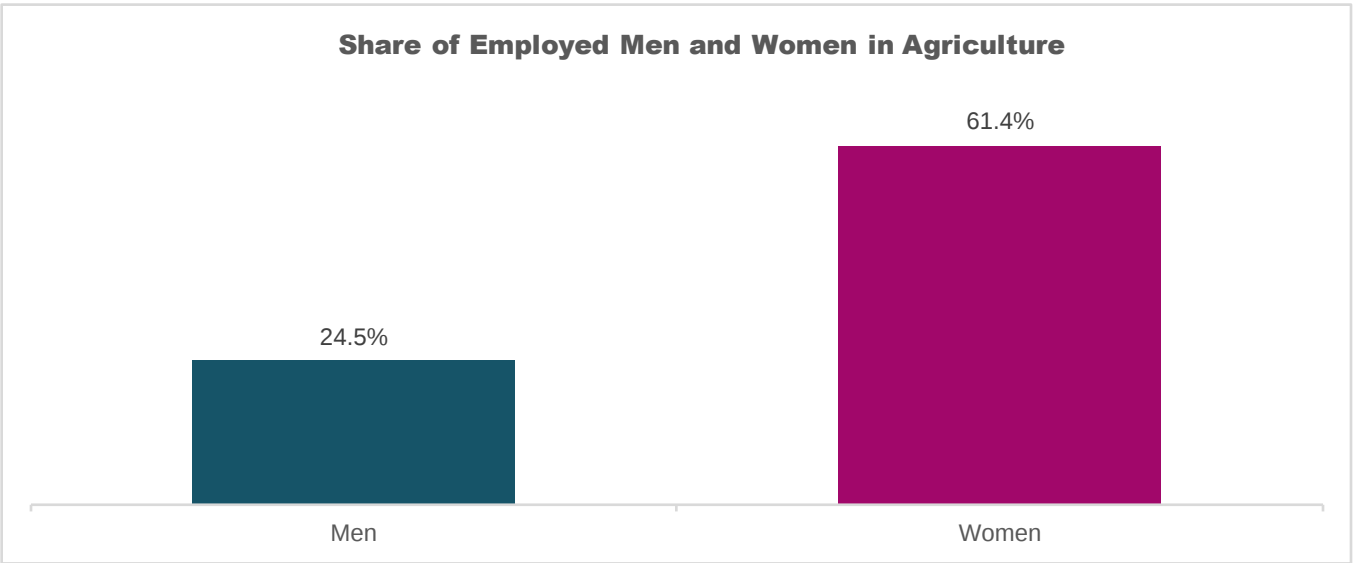
Source: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.

3. Gender Composition Highlights Deep Inequalities in Employment Opportunities

Employment data reveal a starkly gendered labor market. According to PBS, 61.4% of all employed women work in agriculture, compared to only 24.5% of men. This heavy concentration shows that women remain tied to low-paid, informal, and often unpaid roles within agriculture, livestock, and home-based rural work.

Men, by contrast, are increasingly concentrated in commerce and services — with 20.1% of employed men working in wholesale and retail trade. This indicates greater occupational mobility for men and access to sectors offering slightly higher productivity and earnings potential.

The slow diversification of women’s employment highlights persistent structural and social constraints: restricted mobility, lack of childcare support, limited access to formal jobs, and entrenched norms about appropriate work for women. While women’s participation in the labor force has risen, the quality and range of opportunities available to them remain severely limited, reinforcing long-term gender economic disparities.



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

4. Urban–Rural Employment Patterns Reveal Two Different Economies

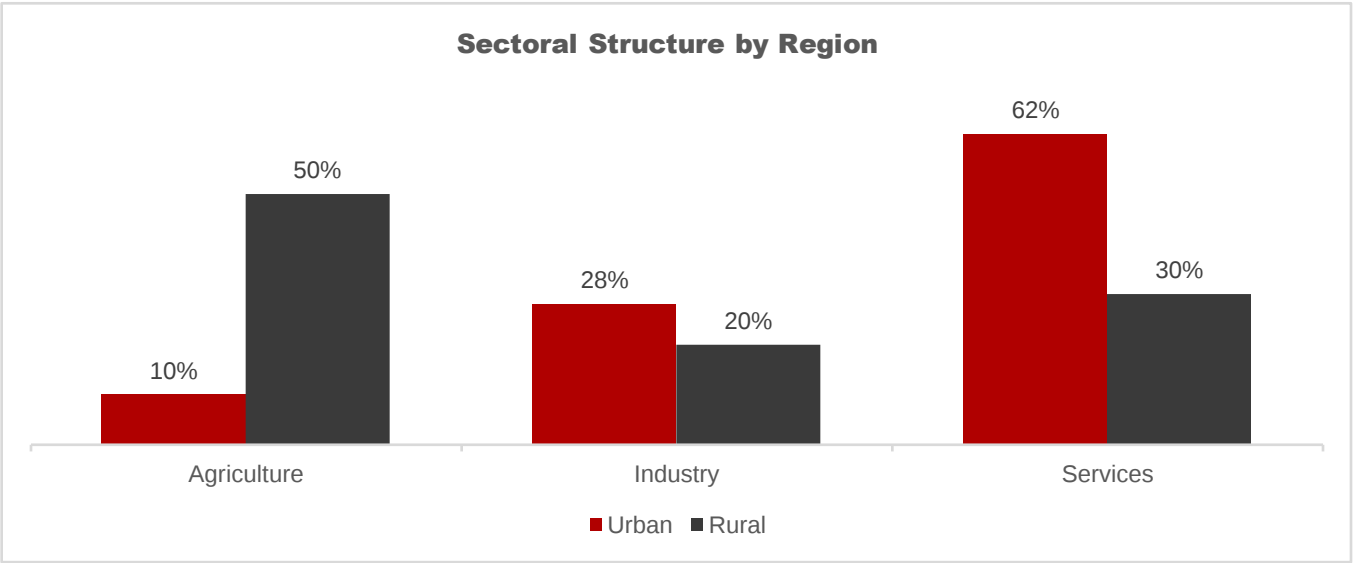
Sectoral tables in the LFS report show that rural Pakistan remains overwhelmingly agriculture-dependent, even as the agriculture share declines nationally. Rural workers face limited access to diversified employment pathways, vocational training, or formal sector opportunities, keeping them tied to low-productivity farm and livestock activities.

Urban Pakistan, meanwhile, is experiencing rapid growth in:

- Retail trade
- Transport and storage services
- Community, social, and personal services

These trends suggest urban economies are diversifying faster, but not necessarily in ways that yield high-value or formal employment. Much of the urban services growth is informal and precarious, driven by small enterprises, self-employment, and survival-driven economic activity.

The urban–rural divide is therefore widening — not only in sectoral composition but also in earnings potential, job security, and access to upward mobility.



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

5. Interpretation: Services-Led Growth Without Industrial Deepening Increases Vulnerability

Pakistan's employment story is one of quantitative gains but qualitative challenges. More people are working, yet the structure of job creation reveals an economy struggling to generate high-quality, high-productivity employment.

The stagnation of industrial jobs — coupled with the rapid expansion of informal services — signals a premature shift away from agriculture without meaningful industrialization. This trajectory limits long-term economic resilience, reduces productivity gains, and creates a cycle where large segments of the workforce remain in roles that offer limited stability or upward mobility.

Unless economic policy prioritizes industrial expansion, skills development, women's economic inclusion, and formalization, Pakistan's labor market will continue expanding in size but not in strength.

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.

Editor’s Note

This edition highlights a critical paradox in Pakistan’s labor market: employment is rising in numbers, but not necessarily in strength. The addition of millions of workers since 2020–21 signals demographic momentum and economic necessity, yet the concentration of job growth in low-productivity and informal services raises important questions about sustainability and upward mobility. The limited expansion of industry and the persistent segmentation of women into low-paid agricultural roles point to deeper structural constraints that cannot be addressed by employment growth alone.

As Pakistan’s workforce continues to expand, the challenge ahead is not simply to create more jobs, but to create better ones — jobs that are productive, formal, inclusive, and resilient. Translating labor force data into informed policy choices will be essential if employment growth is to translate into long-term economic strength.

— **Aisha Aamir**

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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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