GALLUP PAKISTAN

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

Wages, Informal Work, and Employment Quality in Pakistan

PRESS RELEASE

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

Wages Rise Sharply, But Informal Work Continues to Define Job Quality in Pakistan

Islamabad, February 18th, 2026

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 edition draws on the following datasets from the Pakistan Labor Force Survey 2024–25, with comparisons to 2020–21 where applicable:

- Average monthly wages of paid employees (overall and by gender)
- Formal and informal sector employment shares (13th and 21st ICLS)
- Urban–rural differences in informality
- Gender differences in formal sector participation
- Sector-wise wage differentials by major industry divisions

Together, these indicators provide a comprehensive picture of earnings, employment quality, and structural constraints shaping Pakistan's labor market.

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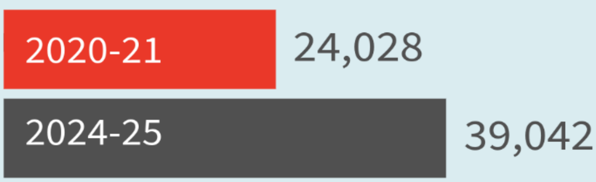
Average Monthly Wages Have Increased Sharply:

The average monthly wage of paid employees increased from PKR **24,028** in 2020–21 to PKR **39,042** in 2024–25, a nominal rise of **62%** over four years.



The persistence of wage gaps particularly by gender:

Male wages rose from PKR **24,643** to PKR **39,302**, while female wages increased from PKR **20,117** to PKR **37,347**.

Informality Remains the Dominant Form of Employment:

Under the 21st ICLS framework, **80.8%** of Pakistan's total employed population remains in informal employment, leaving only **19.2%** in formal jobs.

Formal Employment and Gender:

Under the 13th ICLS (non-agriculture) definition, **33.7%** of employed women are in formal employment compared to **27.0%** of men, reflecting women's concentration in education, health, and public-sector-linked activities.

Rural Urban gap:

Informal employment is higher in rural areas (**75.5%**) than in urban areas (**68.3%**), highlighting structural differences in job quality across regions.

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

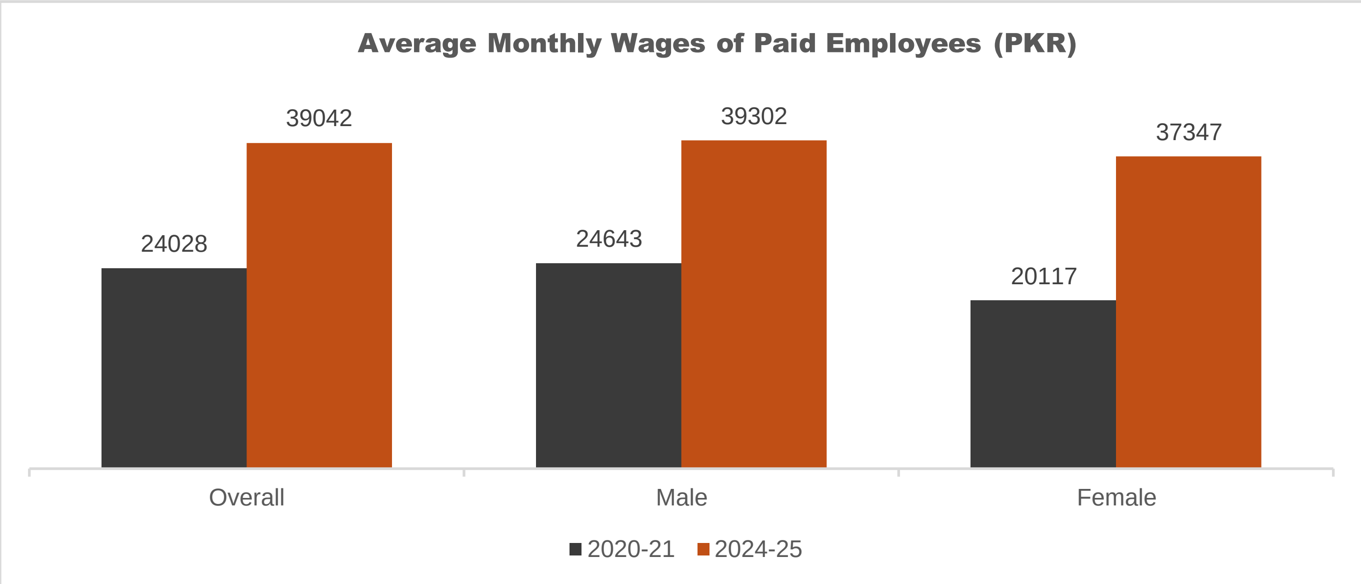
Key Findings:

1. The average monthly wage of paid employees increased from PKR 24,028 in 2020–21 to PKR 39,042 in 2024–25, a nominal rise of 62% over four years.
2. Male wages rose from PKR 24,643 to PKR 39,302, while female wages increased from PKR 20,117 to PKR 37,347, indicating persistent gender wage differentials despite overall gains.
3. Under the 21st ICLS framework, 80.8% of Pakistan’s total employed population remains in informal employment, leaving only 19.2% in formal jobs.
4. Informal employment is higher in rural areas (75.5%) than in urban areas (68.3%), highlighting structural differences in job quality across regions.
5. Under the 13th ICLS (non-agriculture) definition, 33.7% of employed women are in formal employment compared to 27.0% of men, reflecting women’s concentration in education, health, and public-sector-linked activities.
6. Despite rising wages, the dominance of informal employment suggests that income growth has not been matched by improvements in job security, social protection, or productivity.

1. Average Monthly Wages Have Increased Sharply

Average monthly wages of paid employees rose from PKR 24,028 in 2020–21 to PKR 39,042 in 2024–25, representing a significant nominal increase over four years. Male wages increased from PKR 24,643 to PKR 39,302, while female wages rose from PKR 20,117 to PKR 37,347.

While this rise appears substantial, it must be interpreted cautiously. A large portion of the wage increase coincides with periods of elevated inflation and rising cost-of-living pressures. As a result, higher nominal wages do not necessarily translate into equivalent gains in real purchasing power or improvements in labor productivity. The persistence of wage gaps—particularly by gender—also indicates that wage growth has not been evenly distributed across the workforce.



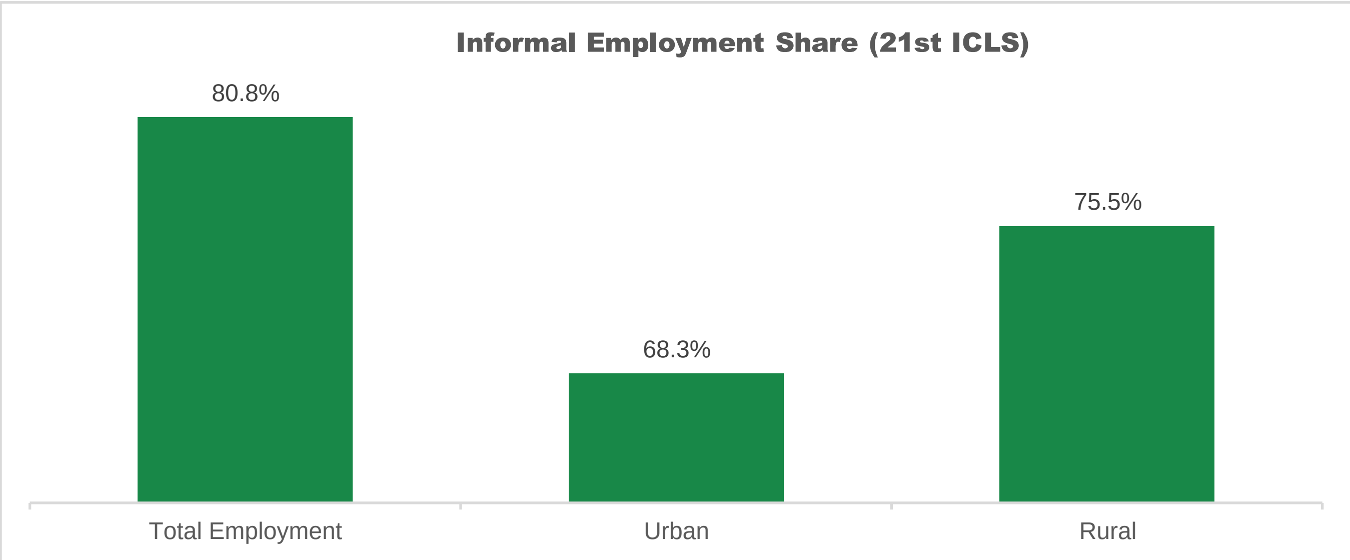
***Source**: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.*

2. Informality Remains the Dominant Form of Employment

Despite wage increases among paid employees, informal employment continues to dominate Pakistan's labor market. Under the 13th ICLS definition, 72.1% of non-agricultural workers are employed informally. Informality is more pronounced in rural areas (75.5%) than in urban centers (68.3%), reflecting structural differences in job availability, enterprise size, and labor regulation.

When measured under the 21st ICLS framework, which covers total employment across agriculture and non-agriculture, 80.8% of workers are informal nationwide, leaving only 19.2% in formal employment. This underscores the limited reach of formal labor institutions and the continued reliance on unregistered, low-productivity forms of work.

High informality constrains earnings stability, limits access to benefits such as pensions and health insurance, and reduces the economy's capacity to generate productivity-led wage growth.

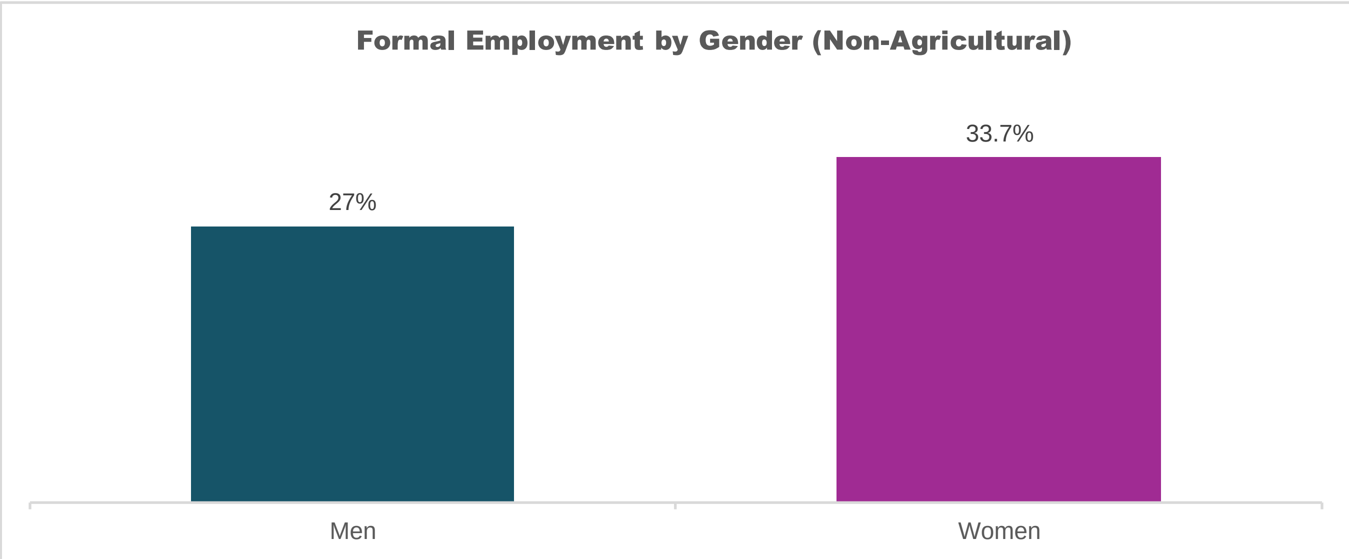


***Source**: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.*

3. Gender Differences: Higher Formal Share, Lower Earnings

Women exhibit a slightly higher share of formal sector employment than men under the 13th ICLS definition, with 33.7% of women working in the formal sector compared to 27.0% of men. This reflects women's greater concentration in education, health, and public-sector-related activities, which are more likely to be formalized.

However, this relative advantage in formal employment does not translate into income parity. Women's average monthly wages remain below those of men, highlighting persistent gender-based disparities in occupational placement, working hours, seniority, and bargaining power. Many women remain clustered in lower-paid roles even within the formal sector, while a significant share of female employment continues to consist of unpaid or low-paid family work.



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

4. Strong Sectoral Differences in Earnings

Wage levels vary substantially across sectors. The highest average wages are observed in formal industry and service sectors, where jobs tend to be more capital-intensive, regulated, and productivity-driven. In contrast, agriculture and low-skilled service activities record the lowest wages, reflecting both lower productivity and the predominance of informal employment arrangements.

These sectoral wage disparities reinforce broader inequalities in the labor market. Workers in informal and low-skilled sectors face limited pathways for income mobility, while employment growth in higher-wage sectors remains insufficient to absorb the expanding labor force.

5. Interpreting the Trends: Rising Wages, Stagnant Job Quality

The coexistence of rising wages and persistent informality points to a central challenge in Pakistan’s labor market. Wage growth appears to be driven largely by inflationary pressures rather than structural improvements in productivity or job quality. At the same time, the slow expansion of formal employment limits the economy’s ability to deliver stable, secure, and high-quality jobs at scale.

Without sustained investment in formal sector expansion, skills development, and enterprise growth, wage gains are likely to remain uneven and vulnerable to economic shocks—particularly for women, rural workers, and those employed in informal settings.

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 distinction in Pakistan's labor market: wages may be rising, but job quality remains deeply constrained by informality. While nominal earnings have increased significantly over the past four years, the overwhelming dominance of informal employment suggests that income growth has not been matched by greater job security, productivity, or social protection. For many workers — particularly women and rural populations — employment continues to mean vulnerability rather than stability.

The data reinforce an important policy lesson: sustainable economic progress requires more than higher wages. It requires expanding formal sector opportunities, strengthening enterprise growth, and improving the quality and protection of work. Without structural transformation, wage gains risk remaining fragile and uneven, especially in a high-inflation environment.

— Aisha Aamir

Assistant Manager Research, Gallup Pakistan

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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