

# Economic Innovation



Youth unemployment remains a critical pinch-point for Pakistan. Rising youth unemployment rates, with more young women unable to find a job than young men, and higher unemployment in urban areas requires an urgent and sustainable solution. There is a considerable portion of the population that is not being allowed to fulfill their potential.

54.9 percent women and 7.6 percent men aged 15 to 24 are not in employment, education, or training (NEET). Provincial NEET rates are highest in Khyber Pakhtunkhwa, where around 40 per cent of young people are not in employment, education or training. The youth NEET rate was lowest in Punjab and Islamabad Capital Territory, at 27.9 per cent and 23.7 per cent in 2017–18, respectively.<sup>1</sup>

It is also critical to apply the gender lens, and acknowledge that women and girls in Pakistan report a higher percentage of their time spent on household maintenance, care for children/sick/elderly, and community services.<sup>2</sup> This creates a double burden for women and girls, and also creates time poverty; unpaid care work usually takes up time that can otherwise be spent on

income-generation activities or seeking employment/learning skills etc.

Similarly, if assessed through an inclusion lens, it is observed that inadequacies in access to services makes it particular hard for differently-abled people to participate in public spaces. Persons with disabilities note greater levels of dissatisfaction, particularly with employment, but also with healthcare, education, public utilities, identity and representation, and social mobility.<sup>3</sup>

The challenge of employment for youth is premised on the idea of economic well-being. The employment eco-system seems largely blind to providing decent, meaningful work that is well paid, to bring about well-being. Gender, regional, and social inequities also feed into this blindness.

The lack of labour laws, and institutional protections is also problematic. 53 percent of the country's employed population were not paid the minimum wage in 2018, while 83 percent workers remain unprotected by labour laws. Additionally, structural barriers such as women's lower levels of education, or workplaces that are

1 Ibid

2 Pakistan Bureau of Statistics. (2007). Time Use Survey 2007.

3 UNDP (2020). Pakistan National Human Development Report 2020, The three P's of inequality, Power, People, and Policy



not PWD-friendly, heighten inequalities for some marginalized groups.

Existing TVET facilities are also inadequate in capacity and quality, to meet growing demands for training in labour market.<sup>4</sup> This further disincentives young women and men from joining the workforce.<sup>5</sup>

For employment to become youth friendly, there has to be a recognition of, and move towards eradicating, three key barriers; not enough jobs being created in the job market, skill-set mismatch, and apathy towards those already on the periphery of the socio-economic structure.

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4 ILO (2019); Pakistan Decent Work Country Profile  
5 ILO (2020); Skills Country Profile Pakistan