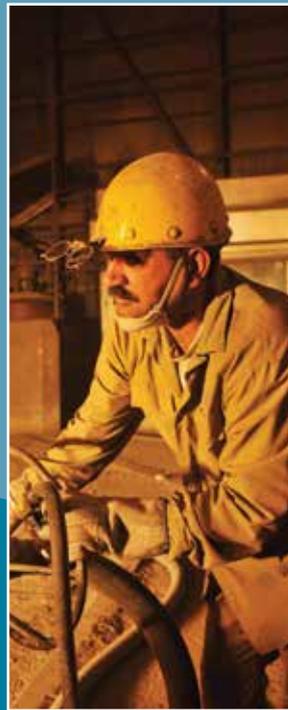


# FROM PAKISTAN TO THE GULF REGION: AN ANALYSIS OF LINKS BETWEEN LABOUR MARKETS, SKILLS AND THE MIGRATION CYCLE





# From Pakistan to the Gulf region: An analysis of links between labour markets, skills and the migration cycle



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Temporary labour migration is often touted as a triple win: a win for destination countries that can support a level of economic activity that would be impossible without foreign labour; a win for countries of origin because it lowers unemployment and brings in remittances and skills; and a win for migrants who can earn more income and escape poverty. However, governments have yet to develop a system that ensures that the triple win delivers benefits equally; today it is migrants who are ending up short-changed.

Despite the substantial benefits generated by the migration flow between Pakistan and the Gulf Cooperation Council countries, many challenges remain to ensure a fairer distribution of the triple-win profits. Much has been written on the abuses of migrant workers during recruitment and employment throughout the migration cycle, but less is known about labour demand, its relationship to skills and the impact of the recruitment process on these aspects.

Lack of information regarding qualifications, skills, wages and how demand will evolve inhibits informed decision-making by public and private institutions as well as by migrant workers. This results in lost opportunities or mistakes in strategy planning in and between source and recipient countries. For instance, there is no system of mutual recognition of educational attainment and acquired skills based on comparable standards for low-skilled or semi-skilled occupations.

This report addresses some of these issues, with a special focus on the role of skills in Pakistan, including skills training, certification, skills matching and recruitment practices. Written by Sabur Ghayur, the report is a result of a partnership between the International Labour Organization (ILO) through its European Union-funded South Asia Labour Migration Governance Project, and the Inclusive Development of the Economy (INCLUDE) Programme, a joint Nepal-German initiative under the guidance of the Nepal Ministry of Industry, with technical assistance provided by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ).

The report is a complement to Labour Market Trends Analysis and Labour Migration from South Asia to Gulf Cooperation Council Countries, Malaysia and India, prepared by ILO and GIZ Nepal. We hope that these reports will be useful in guiding the Government and other stakeholders in Pakistan to better align their systems for facilitating and supporting male and female migrant workers in selected sectors and trades, ultimately leading to increased employability and enhanced skills among migrant workers from Pakistan.

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<b>Foreword</b> .....	<b>v</b>
<b>Executive Summary</b> .....	<b>xi</b>
<b>Abbreviations</b> .....	<b>xv</b>
<b>1: Introduction</b> .....	<b>1</b>
1.1 Background .....	2
1.2 Scope of Pakistan study .....	3
1.3 Organization of the report .....	3
<b>2: Employment situation</b> .....	<b>5</b>
<b>3: Overseas migration: Stock, flows and remittances</b> .....	<b>9</b>
3.1 Overseas migration: Composition and skills .....	10
3.1.1 Major countries of destination .....	10
3.1.2 Female migrants .....	11
3.1.3 Provincial share .....	12
3.2 Overseas migration: Remittances .....	14
<b>4: Managing migration</b> .....	<b>17</b>
4.1 Managing migration: Institutions .....	19
4.1.1 Bureau of Emigration and Overseas Employment .....	19
4.1.2 Overseas Pakistanis Foundation .....	17
4.1.3 Overseas Employment Corporation .....	20
4.2 Managing migration: Legal and policy framework .....	20
4.2.1 Emigration Ordinance, 1979 .....	20
4.2.2 Emigration Rules, 1979 .....	21
4.2.3 National Skills Strategy, 2009-13 .....	22
4.2.4 Memoranda of understanding on labour migration .....	23
4.3 Managing migration: Fees, preparation and insurance .....	23

5: Matching migrant workers demand and supply .....	27
5.1 Skill supply for international migration .....	27
5.2 Process of matching skill demand and supply .....	28
for migrant workers: Actors involved	
5.3 Role of private overseas employment promoters .....	30
in matching skill demand and supply	
6: Migration and skills development .....	33
7: Labour demand trends in GCC countries and .....	34
how to develop labour market institutions that can match it	
Section 8: Recommendations: The way forward .....	43
References .....	47
Annexes	
Annex I: Additional tables .....	49
Annex II: Mission, vision and objectives of TVET Authorities .....	51
Annex III: Stakeholders consulted for the study .....	53
Tables	
Table 1. Unemployment rate in Pakistan, various years .....	5
Table 2. Migrants from Pakistan, 2008–15, by major countries of destination	9
Table 3. Bureau of Emigration and Overseas Employment .....	11
classification of occupations, by skill category	
Table 4. Top-15 categories of occupations for Pakistani .....	11
migrant workers, 1971–July 2015	
Table 5. Occupation of current migrants before migration .....	12
and while abroad	
Table 6. Major destination countries of Pakistani .....	13
women migrant workers, 2008–13	
Table 7. Number of Pakistani women migrant workers, by job, 2008–13 ....	14
Table 8. Workers' remittances, FY 2006–15 .....	14
Table 9. Top-five remittance-sending countries to Pakistan, FY 1992–2015	15
Table 10. Chapters and thematic areas of the Emigration Ordinance, 1979	21

Table 11. Payments and service charges paid by prospective overseas migrants	24
Table 12. School enrolment, by grade level, 2013–14	34
Table 13. Trades, skills and professions in demand in Gulf countries	40

## Figures

Figure 1. Annual flow of Pakistani migrant workers, 2005–15	2
Figure 2. Skill composition of workers who went overseas for employment, 2015*	10
Figure 3. Obtaining and processing labour demand – Stage 1	28
Figure 4. Recruiting in Pakistan – Stage 2	29

## Boxes

Box 1. Pakistan remittance initiative services	15
Box 2. Functions of the Ministry of Overseas Pakistanis and Human Resource Development	18
Box 3. Vocational training institute in Pakistan established by foreign employers	37

## Annex tables

Table A1. Share of industry in total employment in Pakistan, various years	49
Table A2. Share of agriculture in total employment in Pakistan, various years	49
Table A3. Share of services in total employment in Pakistan, various years	49
Table A4. Share of wage and salaried in total employment in Pakistan, various years	49
Table A5. Share of own-account workers in total employment in Pakistan, various years	49
Table A6. Share of informal sector in total employment in Pakistan, various years	50
Table A7. Share of employed working more than 50 hours a week in Pakistan, various years	50



# Executive Summary

## Executive Summary

**M**igration of skilled, semi-skilled and low-skilled workers has been consistently easing the labour market situation in Pakistan and providing opportunities of employment abroad to workers for more than four decades. From 1971 to 2015, around 8.7 million workers migrated from Pakistan for employment formally, with a surge in recent years, at an average 560,890 workers a year from 2008 to 2015. As part of an International Labour Organization and German Development Cooperation multi-country study, this report looks at the characteristics of the labour market supply and demand in Pakistan and the main destination countries for migrant workers, the relationship of supply and demand to skills and the impact of the recruitment process on all three facets.

### **EMPLOYMENT AND LABOUR MARKET**

With 188 million people, Pakistan is the sixth most populous country in the world. Although labour force participation overall is considered low, Pakistan's labour force ranks as the tenth-largest in the world. The country is confronted with a significant gap between the demand and supply of workers; with the number of annual jobseekers exceeding employment opportunities. About four million people are unemployed. Due to low productivity and low remuneration in the huge informal and agriculture sector, the underutilization of the workforce is considered a serious labour issue for Pakistan. Such a reality has necessitated policy-makers to focus on labour migration as a coping strategy.

### **MIGRATION STOCK, FLOWS, MAJOR COUNTRIES OF DESTINATIONS AND TYPE OF MIGRANTS**

While Pakistani migrant workers can be found in almost all countries of the globe, most of them concentrate in a Gulf Cooperation Council (GCC) country. The top-five destination countries are Saudi Arabia, United Arab Emirates, Oman, Bahrain and Qatar, with most workers going to Saudi Arabia and the United Arab Emirates. An overwhelmingly large reliance on these countries for jobs (thus remittances) is a cause of concern for Pakistan due to the heightened vulnerability associated with having so many workers in a few places that are not immune to economic fluctuations.

In terms of skill composition, low-skilled workers constituted around 43.4 per cent of total migrant workers during the 1971-2015 period; combined, low-skilled and semi-skilled workers made up more than 80 per cent of the total migrant workers. Female labour migration was negligible, at less than 1 per cent of the total.

## MANAGING MIGRATION

The Ministry of Overseas Pakistanis and Human Resource Development and, specifically, its Bureau of Emigration and Overseas Employment (BEOE) have the primary responsibility for managing migration. The BEOE is a regulatory body that controls, regulates, facilitates and monitors the foreign migration process through the Emigration Ordinance, 1979 and the Emigration Rules, 1979 (updated in 2012). It issues licenses to the private overseas employment promoters. The BEOE has established seven Protector of Emigrants Offices in areas of Pakistan with a heavy outmigration of workers to provide prospective migrants with information and to oversee the processing of their documentation.

Community welfare attachés posted abroad to Pakistan embassies or missions look after the welfare of Pakistanis overseas, including workers. They help resolve disputes between employers and workers and report regularly on the labour market situation in their respective countries and the potential for employment of foreign workers.

The Overseas Pakistanis Foundation also looks after the interests of overseas Pakistanis and their families living in Pakistan. In addition to managing a pension fund, the Foundation provides a range of services, such as pay-outs for death compensation for migrants who die while working abroad and financial grants to the destitute families of overseas Pakistanis who die or are permanently disabled while abroad, provision of education and vocational training, scholarships, housing schemes and facilitation centres at the airports.

## MATCHING MIGRANT WORKERS DEMAND AND SUPPLY: THE PROCESS

There are established mechanisms that facilitate recruitment or act as a bridge between a prospective employer and labour providers. The labour providers comprise recruitment agencies in countries of destination, overseas employment promoters in Pakistan and even workers who seek employment on their own through relatives, friends or online applications. They negotiate terms and conditions with employers. Outside the public sector and multinational corporations that pay for services provided by overseas employment promoters and cover the cost of workers' travel expense, the majority of work visas obtained by overseas employment promoters invariably involve payment to employers or a local recruiting agency. This payment is then passed on in the form of fees to the migrating workers. The overseas employment promoters or their agents undertake regular visits to the countries of destination to connect with potential employers and recruiting agencies. On occasions, overseas employment promoters may learn of labour demand through the community welfare attaché office.

All GCC countries apply the *kafala*, or sponsorship, system, which also governs the recruitment process. The recruitment and selection of workers for employment abroad and in particular to GCC countries, varies widely by sector, occupation and firm size. No worker from Pakistan can obtain employment (thus an employment visa) while on a social visit to a GCC country; quite often persons are deported, particularly in Saudi Arabia, who try to seek employment when holding an *Umrah* (pilgrimage) visa and/or they have overstayed some other type of visa.

Interviews with private employment promoters revealed that: (i) multi-skilling is an increasing requirement of employers in GCC countries; (ii) training of two to three months is considered sufficient to meet the skill requirements of a significant number of employers in the countries of destination; (iii) such training needs are met by the non-formal modes of training provider; (iv) such training is meant for trades leading to preparation of semi-skilled workers; and (v) public sector skill providers are largely unaware of or even seem to be unconcerned about such demand and training requirements – their entry requirements are largely a secondary school certificate or at least a middle-school level of education, which thus is not applicable to the majority of prospective migrants.

## **MIGRATION AND SKILLS DEVELOPMENT**

Increasing the technical and vocational competence of the workforce is high on the agenda of policy-makers. This is reflected in the establishment of a Technical and Vocational Education and Training (TVET) Authority in all provinces and the National Vocational Technical Training Commission in Islamabad. The Commission covers training policies, laws and regulations, skill standards and curricula, accreditation, instructors' training, performance evaluation, industry linkages, public-private partnerships, national and international links, data of training needs, and institutions and placement programmes. In Punjab, a separate institution – the Punjab Vocational Training Council – was set up for youth among the lower socio-economic strata of the population. The Prime Minister's Youth Skill Development Programme targets training for 25,000 unemployed youth (from lower and middle economic strata households); additionally, there is the Benazir Bhutto Shaheed Youth Development Programme in Sindh and the Punjab Skills Development Fund in southern Punjab that is now slated to be expanded to the whole of Punjab Province.

Interviews with training providers point out increasing demand for quality certified and recognized trade skills for better employment and income outcomes. Initiatives taken by TVET providers include arrangements for certification by foreign institutions. The recent focus on competency-based training is intended to prepare skilled persons and achieve greater employment outcomes within the country and overseas. Recognizing the importance of certified skills in the context of changing patterns of demand, TVET providers in the public and private sectors are increasingly linking with foreign assessors, such City & Guilds in the United Kingdom. The TVET Authority in Punjab and Sindh are considering seeking a license to act as overseas employment promoters (agents).

Some foreign employers or recruiters have initiated their own vocational training programme in Pakistan. One such initiative is the establishment of a vocational training institute within the National Training Bureau by a Saudi Arabian employer.

## **RECOMMENDATIONS: THE WAY FORWARD**

How can Pakistan ensure greater protection of migrating workers and improve their skill and education levels to meet the labour market needs of destination countries? This is an important question for education and TVET administrators, regulators and employment promoters as well as of those dealing with migration.

A mechanism that ensures better coordination among TVET providers and actors involved in the migration process, such as the BEOE and its community welfare attachés and overseas employment promoters through their representative organizations, is critical. The report suggests the following measures and elaborates on how this can be achieved:

- Remain an important source country in future migration flows
- Be able to supply high-quality certified and recognized skilled workers conforming to destination countries' needs
- Open channels for increased female migration
- Establish a labour market information system
- Ensure that the governance procedures and process for migration are easy and fast
- Ensure that the rights of migrating workers are properly protected

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## Abbreviations

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<b>BEOE</b>	Bureau of Emigration and Overseas Employment
<b>DFID</b>	Department for International Development
<b>FIA</b>	Federal Investigation Authority
<b>GCC</b>	Gulf Cooperation Council
<b>GIZ</b>	German Development Cooperation
<b>ILO</b>	International Labour Organization
<b>MOPHRD</b>	Ministry of Overseas Pakistanis and Human Resource Development
<b>MOU</b>	Memorandum of Understanding
<b>NAVTTTC</b>	National Vocational Technical Training Commission
<b>OEC</b>	Overseas Employment Corporation
<b>PIA</b>	Pakistan International Airlines
<b>PVTC</b>	Punjab Vocational Training Council
<b>TVET</b>	Technical and Vocational Education and Training



أولويتز  
فوط صحية

6x30  
SUPER PLUS  
WITH WINGS

always  
الشركة المسماة  
Sensitive

أولويتز  
فوط صحية  
مصنع في مصر بواسطة  
شركة أولويتز

٣٠١٦  
فوط صحية

# Introduction

## 1 | Introduction

The creation of an environment that fosters the generation of full and productive employment under decent work<sup>1</sup> conditions is critical for pulling working women and men out of poverty and for a country's socio-economic development. Many developing countries are confronted with serious labour market-absorption issues. Unable to fully employ all their workers in the domestic labour market, policy-makers in many governments of "labour surplus" countries increasingly see overseas migration as a way to tackle unemployment and poverty. The huge number of international migrants – 232 million, or 3 per cent of the world's population – points to the importance of international migration.<sup>2</sup> Of them and according to most recent estimates,<sup>3</sup> there were 150.3 million migrants in the world who were economically active in 2013. More than half – 83.7 million – were men, and 66.6 million were women. Asia-Pacific hosts 17.2 per cent of migrant workers (25.8 million persons). The Arab States have the largest proportion of all migrant workers (at 35.6 per cent) and hosts 11.7 per cent of migrant workers worldwide, most of them from South-East Asia and South Asia.

In addition to poverty reduction, migration is regarded as a mechanism to transfer new skills to labour-sending countries, with migrant workers bringing new knowledge and skills back to the country. Remittances sent by migrants not only provide necessary income support to their families but help in building the country's foreign exchange reserves and in providing a balance of payment support, which thus contributes to greater economic development.

It is also true that host countries receive significant benefits: Their labour shortages – of low-skilled, semi-skilled, skilled, highly skilled and professional workers – are mitigated and economic activities are strengthened. Indeed, all migrant workers, irrespective of their status, contribute to growth and prosperity of the countries of origin and destination.

Migration of skilled, semi-skilled and low-skilled workers has been a source constantly easing the labour market situation in Pakistan, although migrant workers are overwhelmingly men. More than 8.7 million people migrated from Pakistan between 1971 and 2015,<sup>4</sup> with a surge in numbers in recent years; around 4.5 million people<sup>5</sup> went abroad for work between 2008 and 2015 (figure 1). These flows, averaging 560,890 a year, no doubt have been instrumental also in addressing employment and poverty issues in the country. Remittances sent by Pakistani migrant workers have been steadily rising with the increasing flow of migrants. In fiscal year 2014–15 Pakistan received US\$18,454 million from its citizens living and working abroad. Remittances during July 2015 to January 2016 were \$11,198 million.<sup>6</sup>

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<sup>1</sup> The ILO defines "decent work" as comprising freedom, equity, security and rights. There are four pillars of decent work: (i) employment creation and enterprise development, (ii) social protection, (iii) standards and rights at work, and (iv) governance and social dialogue.

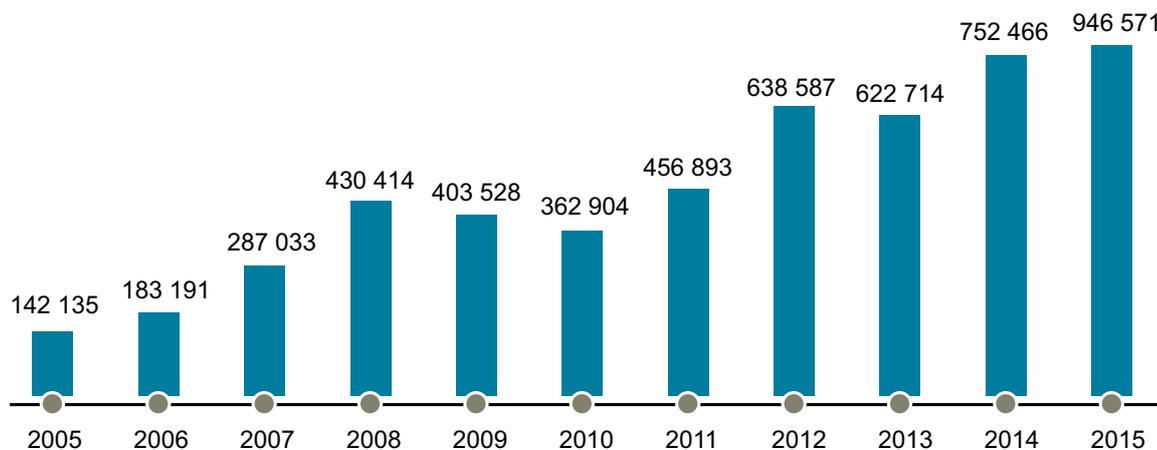
<sup>2</sup> See [www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/](http://www.unesco.org/new/en/social-and-human-sciences/themes/international-migration/) [accessed 5 July 2016].

<sup>3</sup> ILO Global estimates on migrant workers (2015); available on [http://www.ilo.org/global/topics/labour-migration/publications/WCMS\\_436343/lang-en/index.htm](http://www.ilo.org/global/topics/labour-migration/publications/WCMS_436343/lang-en/index.htm)

<sup>4</sup> Unpublished data files in the Ministry of Overseas Pakistanis and Human Resource Development (MOPHRD) that are based on the data furnished by the Bureau of Emigration and Overseas Employment (BEOE).

<sup>5</sup> Unpublished data files in the Ministry of Overseas Pakistanis and Human Resource Development.

<sup>6</sup> State Bank of Pakistan.

**Figure 1.** Annual flow of Pakistani migrant workers, 2005–15

Note: This data excludes those going through the Overseas Economic Corporation, which is about 2 per cent of the total for the 1971 and 2015 periods.

Source: BEOE.

The contribution of Pakistani migrant workers and diaspora to the national economy is significant. Along with the much-needed foreign exchange support, the remittances enable economic activities to be initiated or at least supported through consumption by the remittance-receiving households. The human capital acquired while working overseas is yet another dimension of the contribution. Recognizing the contribution of migrant workers, the Government is committed to promoting safe migration, protecting migrants and better facilitating remittances.

## 1.1 THE MULTI-COUNTRY ANALYSIS ON MIGRATION

This study on Pakistan is a part of the multi-country analysis of labour market trends and migrant workers between countries of origin and destination that was jointly commissioned by the International Labour Organization (ILO) and the German Development Cooperation (GIZ). The study set out to address the lack of adequate and reliable information on labour flows and short- and medium-term employment opportunities by education and skill levels in destination countries. The selected countries of origin in the study are Bangladesh, India, Nepal and Pakistan. The countries of destination refer to Kuwait, Qatar, Saudi Arabia and the United Arab Emirates from the Gulf Cooperation Council (GCC) region as well as India and Malaysia.

The analysis was conducted in three phases:

1. Country of destination studies: an assessment of destination countries, which examined the socio-economic, policy and skills needs environment for labour migrants in selected GCC countries, India and Malaysia.
2. Consolidation analysis: based on the assessment of the situation in the countries of destination an analysis of the general situation, including suggestions and recommendations what could be done to improve the economic benefits of labour migration.
3. Country of origin studies: based on consultation processes and extended analysis, an assessment of existing support policies and systems and existing skills training institutions and their programmes related to the migration of labour.

## 1.2 SCOPE OF THE PAKISTAN STUDY

The Pakistan study looked at the labour market supply and demand domestically and in the main destination countries for migrant workers, the relationship of supply and demand to skills and the impact of the recruitment process on all three facets. The study was based on information collected through a desk review and interviews with migrants, government officials involved in the migration process, overseas employment promoters, training providers and representatives of employers' and workers' organizations.

## 1.3 ORGANIZATION OF THE REPORT

Section 2 of the report presents the employment situation in Pakistan. Section 3 discusses the stock of overseas migrants and migration flows as well as remittances. Section 4 looks at issues related to managing migration – policies, institutions, facilitation and protection. The actors involved in the migration process and instances of malpractices are discussed in section 5. Migration and skill development are taken up in section 6, with section 7 focusing on likely demand for Pakistani migrant workers. The report concludes in section 8 with an analysis of the way forward.

### NOTES ON TERMINOLOGY

1. Although the Government of Pakistan uses the term “emigration” in the name of its departments managing overseas migration as well as the ordinances and laws (and the ensuing text) covering the movement of workers abroad for employment, this report uses the terms “migration” and “migrant” due to the temporary nature of the migration and that the workers intend to ultimately return to Pakistan. Thus, “emigration” is recognized as the movement out of a resident country with the intent to settle elsewhere.

2. In this report, the term “low-skilled” also includes workers who sometimes would be classified as “unskilled”. The report uses the term “unskilled” when referring to official data classified accordingly only.



# Employment Situation

## 2 | Employment Situation In Pakistan

Pakistan's population growth is fairly high, currently ranking as the sixth most populous country in the world, with 188<sup>7</sup> million people. Its population growth (and world ranking) is expected to maintain through 2050.<sup>8</sup> Although its labour force participation rate is low overall, Pakistan ranks as the tenth-largest in the world.

Pakistan is confronted with a situation in which the number of annual jobseekers far exceeds the employment opportunities. The official unemployment rate has hovered around 5–6 per cent for years (table 1). This rate represents as many as 3.73 million people who are unemployed. However, these numbers are not reflective of the actual labour market situation. As is common with labour markets in many developing countries – characterized by a huge informal sector in urban areas and the agriculture sector dominating rural employment, many unemployed workers and fresh entrants into the labour market seek temporary employment in those sectors. This practice thus results in a surge in the number of underemployed. Additionally, the pattern of employment reflects serious issues of gender imbalances (see also Annex tables A1–A7).

**Table 1.** Unemployment rate in Pakistan, various years (%)

Pakistan	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2012–13	2013–14
<b>Total</b>	<b>6.1</b>	<b>5.1</b>	<b>5</b>	<b>5.2</b>	<b>5.3</b>	<b>5.7</b>	<b>6.2</b>	<b>6</b>
Male	5.2	4.2	4	4.2	4.1	4.8	5.4	5.1
Female	9.6	8.6	8.7	9	9.2	9	9	8.7

Source: PBS, Labour Force Survey, various years.

Pakistan also has a large youth population (aged 15–29), at 27.4 per cent, with a large proportion of young people (aged 15–29) entering the labour force every year, at 27.9 per cent. Thus, the share of 15- to 29-year-olds is increasing in the working-age population.

Pakistan also faces the problem of child labour (work undertaken by children younger than 14 years is considered as child labour and prohibited). The Labour Force Survey only asks about the participation of children aged 10 years or older, so there is no information on child labour among 5- to 9-year-old children. However, based on the only nationwide survey on child labour in Pakistan, in 1996, the ILO estimated that among children aged 5–14 years, 3.3 million (8.3 per cent) of the 40 million children of that age were economically active.

<sup>7</sup> Pakistan Economic Survey 2013–14.

<sup>8</sup> World population data sheet 2015.

The industry sector employs about one fifth of the country's employed; it also absorbs 26.2 per cent of the male employed workers and 13.2 per cent of the female workers (see Annex table A1). Good wages and improved working conditions, including social security and labour protection, are associated with employment in industry and manufacturing. To diversify skills development opportunities, it would be useful to target training for women and girls in new and emerging occupations, relevant to the labour market and that would lead to improved employability. Women's organizations, both for employers and workers, would be useful resources in determining the training needs over a wider spectrum.

More than two-fifths of the employed are in agriculture work; most of them, at 74.9 per cent, are female (see Annex table A2). The service sector absorbs 35 per cent of the employed workforce; but at 40.7 per cent, the share of male workers is far greater than female workers, at 13.9 per cent (see Annex table A3). The share of wage and salary workers among the employed is 39.8 per cent; 43.8 per cent of male workers receive a wage or salary while only 24.9 per cent of female workers do (see Annex table A4). Own-account workers (self-employed) account for 34.9 per cent of the employed workforce; here, too, the share of male workers is far greater than female workers, at 40.1 per cent, compared with 15.9 per cent (see Annex table A5).

The informal sector dominates employment in urban areas, absorbing 73.3 per cent of the employed workforce. The gender gap in informal employment is minimal (see Annex table A6). Around 36 per cent of the total employed population works more than 50 hours a week, although only 7 per cent of all employed female workers work that excessively (see Annex table A7).

The data indicate a serious labour market situation in Pakistan, one that necessitates concerted effort in creating decent conditions for employment within the country as well as helping workers find employment in countries of destination. Provision of quality and market-relevant TVET is critical for enhancing employability.





# Overview of labour migration from Pakistan: Stock, flows and remittances

## 3

### 3.1 OVERSEAS MIGRATION: COMPOSITION AND SKILLS

Pakistan can be characterized as a pro-migration country; more than 8 million Pakistanis have gone abroad for work since 1971. About 52 per cent of migrant workers who left the country between 1981 and 2015 came from Punjab Province, which is also the biggest province population wise, followed by Khyber Pakhtunkhwa (at 25.6 per cent), Sindh (at 9.5 per cent), Azad Kashmir (at 7 per cent) and Tribal Areas (at 5 per cent). Major push factors have been lack of jobs and work opportunities in the domestic labour market and the security situation in the country. These conditions are also reflected in the draft national policy for overseas Pakistanis, which emphasizes greater skills training opportunities to develop a more skilled workforce that is compatible with demands in the international labour market.

#### 3.1.1 Major countries of destination

Pakistani migrant workers are going to more than 50 countries of destination currently,<sup>9</sup> with GCC countries being the most common choice. During 2008–16, some 97 per cent of Pakistani migrant workers headed to a GCC country. In recent years, Malaysia has emerged as a destination country of significance, with 20,577 workers there in 2014 and 20,216 workers there in 2015. The top-five destination countries since 2008, at least, are Saudi Arabia, United Arab Emirates, Oman, Bahrain and Qatar (table 2).

**Table 2.** Migrants from Pakistan, 2008–15, by major countries of destination

Country	2008	2009	2010	2011	2012	2013	2014	2015	Total
Saudi Arabia	138 283	201 816	189 888	222 247	358 560	270 502	312 489	522 750	<b>2 216 535</b>
United Arab Emirates	221 765	140 889	113 312	156 353	182 630	273 234	350 522	326 986	<b>1 765 691</b>
Oman	37 441	34 089	37 878	53 525	69 407	47 794	39 793	47 788	<b>367 715</b>
Bahrain	5 932	7 087	5 877	10 641		9 600	9 226	9 029	<b>67 922</b>
Qatar	10 171	4 061	3 039	5 121	7 320	8 119	10 042	12 741	<b>60 614</b>
Malaysia	1 756	2 435	3 287	2 092	1 309	2 031	20 577	20 216	<b>53 703</b>

Source: Bureau of Emigration and Overseas Employment.

Saudi Arabia and the United Arab Emirates receive the largest number of migrant workers from Pakistan, in part due to historical friendly relations and ability of Pakistanis to pick up an elementary understanding of Arabic language. Such an overwhelmingly large reliance on these countries is a cause of concern for Pakistan, which relies substantially on migration. Although providing a

<sup>9</sup> See [www.beoe.gov.pk/migrationstatistics/1971-2015%20%28upto%20Feb%29/COUNTRY-1971-2015.pdf](http://www.beoe.gov.pk/migrationstatistics/1971-2015%20%28upto%20Feb%29/COUNTRY-1971-2015.pdf) [accessed 5 July 2016].

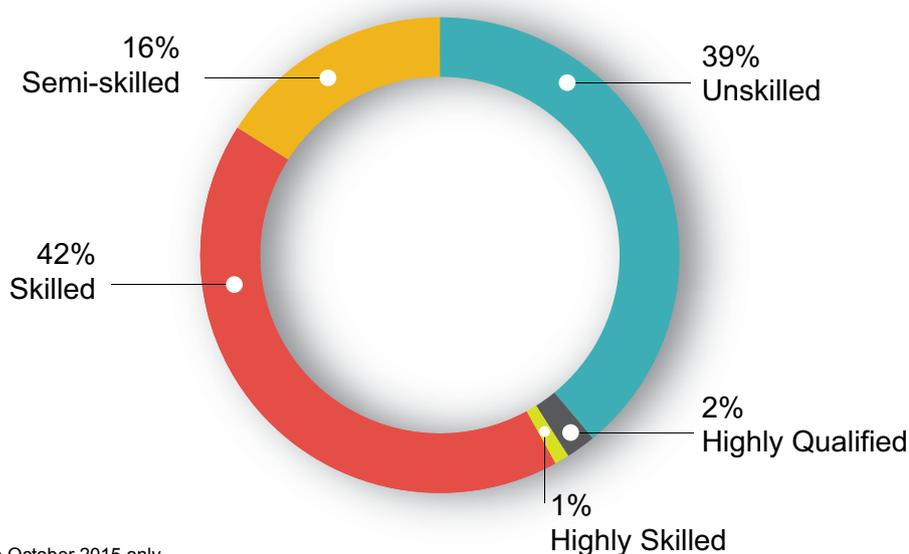
temporary respite to policy-makers, particularly those dealing with labour market issues, and to families in terms of employment and income support, this overemphasis on two countries leaves the migration process vulnerable should there be any unanticipated changes in the demand of Pakistani workers from these countries due to, for example changes in the economic status, such as the recent drop in oil prices, or diplomatic relations.

### 3.1.2 Skill composition

In terms of skill composition (figure 2), unskilled workers constituted 39 per cent of the total migrant workers leaving Pakistan in 2015; while low-skilled and skilled workers equalled 16 per cent and 42 per cent respectively. The highly qualified and highly skilled equalled only three per cent of the total number of migrant workers. The skill composition of Pakistani workers going abroad has hardly changed over the past 45 years. The unskilled workers leaving country ranged between 40 per cent during 2011–15 and 49.3 per cent over the 1990s. The proportion of skilled workers leaving the country declined, from more than 44 per cent during 2001–10 to around 40 per cent during 2011–15.

This trend nevertheless needs to be seen in the backdrop of a surge in outflow in recent years. In terms of numbers reflected in table 4, there are skills and occupations that are in demand in the GCC countries and the demand is expected to increase in the foreseeable future.

**Figure 2.** Skill composition of workers who went overseas for employment, 2015\*



Note:\*=Data up to October 2015 only.  
Source: BEOE, 2015a.

The BEOE breaks down migrants going for work into five categories of skill, as shown in table 3, which needs to be modified according to the newly developed National Vocational and Qualification Framework.

**Table 3.** Bureau of Emigration and Overseas Employment classification of occupations, by skill category

Skills category	Occupations
Highly qualified	Engineer, doctor, accountant, comp/analyst, pharmacist
Highly skilled	Nurse, teacher, manager,
Skilled	Welder, secretary/stenograph, storekeeper, clerk/typist, foreman/supervisor, carpenter, electrician, plumber, steel fixer, painter, technician, mechanics, driver, surveyor, designer, goldsmith,
Semi-skilled	Mason, cook, waiter/bearer, cable jointer, operator, tailor, fitter, denter, rigger, salesman, draftsman, blacksmith, photographer, artist
Low-skilled	Agriculture workers and labourers

Source: Based on the data on migration stock and flows as published by the BEOE.

Table 4 shows the top-15 categories of occupations, with low-skilled labourers on top, followed by drivers and then construction occupations. The trend is consistent with the stereotypes and preconceived ideas about skills and strengths of Pakistanis in certain occupations, according to interviewed overseas employment promoters who said that employers in destination countries think that Pakistanis are good at driving and as labourers due to their physical appearance.

Interviewed stakeholders pointed out that overseas employment promoters avoid the demand for skilled and highly skilled workers on the presumption that placement of such categories of workers is difficult due to standards and certification issues.

**Table 4.** Top 15 categories of occupations for Pakistani migrant workers, 1971–July 2015

Sr	Categories	1971-2010	2011	2012	2013	2014	Jul-15	Total
1.	Labourer	2 093 318	190 854	242 202	222 422	301 425	199 986	<b>3 250 207</b>
2.	Driver	487 605	48 188	86 568	72 610	85 794	77 038	<b>857 803</b>
3.	Mason	411 233	35 328	54 493	44 170	50 677	36 170	<b>632 071</b>
4.	Carpenter	290 403	24 568	33 822	30 849	31 093	20 820	<b>431 555</b>
5.	Technician	216 269	18 100	28 066	32 070	34 806	23 359	<b>352 670</b>
6.	Electrician	187 699	17 326	24 166	26 767	25 844	19 504	<b>301 306</b>
7.	Steel Fixer	181 374	17 266	24 978	24 000	26 422	15 854	<b>289 854</b>
8.	Agicul	192 437	11 128	17 114	17 102	22 325	18 069	<b>278 175</b>
9.	Mechanic	146 172	13 139	12 099	14 829	15 467	12 869	<b>214 575</b>
10.	Tailor	185 059	4 567	5 919	5 342	5 635	4 366	<b>210 888</b>
11.	Painter	104 257	7 623	13 252	13 999	16 890	12 046	<b>168 067</b>
12.	Plumber	89 349	9 023	14 109	17 279	16 827	12 090	<b>158 677</b>
13.	Operator	80 919	9 813	12 883	12 829	14 806	11 288	<b>142 538</b>
14.	Salesman	74 927	7 461	7 496	12 824	16 017	11 745	<b>130 470</b>
15.	Welder	64 421	6 361	9 891	13 135	13 604	10 643	<b>118 055</b>

Source: Bureau of Emigration and Overseas Employment.

The 2015 ILO-GIZ report<sup>10</sup> noted that employers in the popular destination countries have certain perceptions of Pakistani workers in a few occupations; for example, drivers are regarded as tough or construction workers will accept low wages. The report also concluded that of the estimated migrant labour demand from GCC countries, an average of 85 per cent is for low-skilled labour, predominantly in the construction and service sectors. A number of major infrastructure projects, planned or ongoing, in the GCC countries dominate the labour demand, mostly for low-skilled labour in the medium term.

Many migrant workers do not work in occupations they were in before migrating. A study by the Pakistan Institute of Development Economics in 2014 in Khyber Pakhtunkhwa Province revealed a variation of skills among migrant workers before and after their migration journey, mainly among low-skilled and semi-skilled workers (table 5).

**Table 5.** Occupation of current migrants before migration and while abroad

Occupation	Before migration (%)	While abroad (%)
Drivers	25.2	34.6
Computer operators	2.6	3.4
Welders	3.8	0
Labourers	27.6	41.7
Factory or construction workers	14.8	0
Electricians	10.5	4.9
Technicians	1.4	1.1
Carpenters	6.0	6.0
Accountants	0.7	1.1
Engineers	5.0	5.6
Teachers	1.9	1.1
Doctors	0.5	0.4
<b>All</b>	<b>100</b>	<b>100</b>
(N)	(421)	(421)

Source: Amjad and Arif, 2014.

### 3.1.3 Female migrants

According to the BEOE, the migration of Pakistani women is negligible, with only some 6,444 female workers going abroad for employment from 2008 to 2013, or 0.1 per cent of all migrant workers going overseas. Of them, 3,860 women went to the United Arab Emirates and 1,153 went to Saudi Arabia. The other prominent destination countries for women have been Oman, United States, United Kingdom and Qatar (table 6).

<sup>10</sup> ILO and GIZ, 2015.

**Table 6.** Major destination countries of Pakistani women migrant workers, 2008–13

Country	No. of workers	% share in total
United Arab Emirates	3 860	59.9
Saudi Arabia	1 153	17.9
Oman	205	3.2
United States	175	2.7
United Kingdom	170	2.6
Qatar	142	2.2
Canada	118	1.8
Bahrain	115	1.8
Kuwait	99	1.5
Malaysia	96	1.5
Others	311	4.8
<b>Total</b>	<b>6 444</b>	<b>100.0</b>

Source: BEOE, 2015a.

The migration of Pakistani women is limited to a few occupations, primarily in the fields of health service, the finance sector, cosmetology and fashion designing, either due to social and cultural issues or to government permission (domestic work). Of the 6,444 women who migrated for work from 2008 to 2013, 1,437 worked as cleaners or housemaids (22.3 per cent), 753 worked as accountants (11.7 per cent), 662 as saleswomen (10.3 per cent) and the remainder worked as doctors, beauticians or nurses (table 7).

As per the Emigration Rules, the minimum age for women to seek a job abroad as a housemaid, *aya*<sup>11</sup> or governess is 35 years. The Government will relax the minimum age limit by five years in certain cases. The official explanation for the age ban is to protect women from abuse and exploitation associated with domestic work. Women continue to migrate for this type of work, though they are limited in number (government officials mentioned during the research for this report that these housemaids usually accompany employers they had worked with in Pakistan who move to another country).

<sup>11</sup> Aya is an Urdu word commonly used as alternate word for caregiver at home, hospitals and girl hostels.

**Table 7.** Number of Pakistani women migrant workers, by job, 2008–13

Job	No. workers	% share of the total
Cleaner or housemaid	1 437	22.3
Accountant	753	11.7
Saleswoman	662	10.3
Manager or investor	607	9.4
Clerk or typist	606	9.4
Teacher or professor	462	7.2
Doctor	445	6.9
Beautician	284	4.4
Nurse	272	4.2
Baby care	148	2.3
Others	768	11.9
<b>Total</b>	<b>6 444</b>	<b>100.0</b>

Source: BEOE, 2015a.

The OEC facilitates female migration. According to OEC data for 2004–15, some 2,659 women went abroad for employment through their service, with the majority (2,256) going to Saudi Arabia. Overseas employment promoters stated in various meetings with ILO that they do not take requests for domestic female maids from GCC countries due to the vulnerabilities and abuses associated with this profession.

### 3.2 Overseas migration: Remittances

The flow of workers' remittances, an important source of income for many households as well as the development needs of the economy, has been increasing every year. It quadrupled in value after 2000, reaching around \$7 billion in 2008. The trend has been maintained, with the total remittances tripling in the subsequent years – from FY 2005–06 to FY 2014–15, when it reached \$18,454 million, equivalent to 6.5 per cent of the GDP (table 8).

**Table 8.** Workers' remittances, FY 2006–15

Fiscal year	US\$
2006	4 600 100
2007	5 493 700
2008	6 451 200
2009	7 811 400
2010	8 905 900
2011	11 201 000
2012	13 186 600
2013	12 921 700
2014	15 837 700
2015	18 454 000
<b>Total</b>	<b>105 863 300</b>

Source: State Bank of Pakistan.

The largest volume of remittances originates in Saudi Arabia and the United Arab Emirates, followed by Bahrain, Oman, Qatar and Kuwait (table 9).

**Table 9.** Top-five countries of remittance origin, FY 1992–2015

Country or region of origin	US\$
Saudi Arabia	33 892 900
United Arab Emirates	26 006 000
United States	25 472 400
Other GCC country	16 509 600
United Kingdom	14 072 500

Source: State Bank of Pakistan.

Based on a rigorous analysis of a variety of variables, Kock and Sun (2011) attributed the growth in the inflow of workers' remittances to Pakistan largely to an increase in worker migration. But they also noted that higher skill levels of migrating workers had helped to boost remittances and that agriculture output and the relative yield on investments in the host and home countries were important determinants. Another important factor in the increase of remittances through formal channels is the Pakistan Remittance Initiative of the State Bank of Pakistan, the Ministry of Finance and the Ministry of Overseas Pakistanis (now called the Ministry of Overseas Pakistanis and Human Resource Development) that was launched in 2009 to facilitate the flow of remittances through a service that is faster, cheaper, convenient and efficient and to create investment opportunities in Pakistan for overseas Pakistanis (box 1).

### Box 1

### PAKISTAN REMITTANCE INITIATIVE SERVICES

#### ■ Real-Time Gross Settlement, 2009

Prior to 2009 banks used the Pakistan Real-Time Interbank Settlement Mechanism to transfer and settle interbank transactions. In 2009, the Pakistan Remittance Initiative enabled other bank home-remittance payments through real-time gross settlement, which allowed banks to transfer interbank transactions into beneficiaries' accounts the same day.

#### ■ Interbank fund transfer, 2012

Through ATM Switch, an instant credit facility is available for beneficiaries through an interbank fund transfer. The turnaround time for account credit has considerably reduced to a maximum of 30 minutes, provided the correct beneficiary account number is used in the payment instructions.

#### ■ Cash over the counter, 2009

The Pakistan Remittance Initiative helped banks to introduce cash-over-the-counter payments of home remittances. All major banks have started such a scheme. This service has had great impact in competing with informal channels.

Source: See [www.pri.gov.pk/](http://www.pri.gov.pk/) [accessed 5 July 2016].



Realizing opportunities emerging overseas in the wake of the “oil revolution” in the Middle East and the consequent construction boom of the 1970s, the Government of Pakistan liberalized the acquisition of passports by nationals and created institutions to manage and govern labour migration from the country. Today, Pakistan is a country that is pro-migration and has a number of institutions, laws, policies and programmes to promote migration and to protect Pakistani nationals when working abroad. This section outlines that legal and institutional framework.

### 4.1 MANAGING MIGRATION: INSTITUTIONS

The Ministry of Overseas Pakistanis and Human Resource Development (MOPHRD) was created in 2013 from a merger of two ministries (Ministry of Overseas Pakistanis and Ministry of Human Resource Development) to manage the migration of Pakistani labour abroad, elevate the living conditions of the working class and secure decent working conditions for them. Its activities encompass the management of labour relations, social security, socio-economic improvement for the working class and the promotion of the Pakistani workforce (box 2). MOPHRD works in close coordination with provincial governments, workers’ and employers’ organizations and international agencies. Within the MOPHRD, three entities have specific functions for managing migration: i) the Bureau of Emigration and Overseas Employment; ii) the Overseas Employment Corporation; and iii) the Overseas Pakistanis Foundation.

The number of staff within the MOPHRD in relation to its functions is small, especially for positions with technical capacities and thus the available human resources are inadequate for the monitoring requirements in destination countries or even providing policy inputs. The MOPHRD recently established a Migration Resource Centre with ILO support and has set up an online complaint management system to receive grievances and complaints from potential migrant workers, migrant workers, overseas Pakistanis and their families regarding recruitment, foreign employment or any other related welfare issue.<sup>12</sup>

The Ministry is also responsible for the protection and welfare of migrant workers in the countries of destination, which is tasked to the community welfare attachés. They are posted in major countries of destination, including Bahrain, Kuwait, Saudi Arabia and the United Arab Emirates. In certain countries where there is a large population of Pakistani workers, such as Saudi Arabia and the United Arab Emirates, there is more than one community welfare attaché office. The attachés are to help resolve disputes between employers and Pakistani workers. If needed, they bring in the overseas employment promoter who placed each worker involved in a dispute.

The attachés also report to the BEOE on employers and sites visited to monitor working conditions and complaints received from Pakistani workers and the number of cases resolved. They also regularly visit Pakistani workers who have been imprisoned and arrange for their repatriation.

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<sup>12</sup> See <http://complaint.ophrd.gov.pk/> [accessed 5 July 2016].

## Box 2

FUNCTIONS OF THE MINISTRY OF OVERSEAS  
PAKISTANIS AND HUMAN RESOURCE DEVELOPMENT

As per the Rules of Business, 1973, the MOPHRD has the following functions:

- i. National policy, planning and coordination regarding human resource development and employment promotion for intending overseas workers.
- ii. Preparation of short- and long-term programmes for human resource development and employment promotion abroad.
- iii. Research into problems of overseas Pakistanis; promotion and coordination of measures best suited to resolving issues and motivating Pakistanis abroad to strengthen their links with the mother country.
- iv. Policy for links between the training of workers with the latest requirements abroad.
- v. Linking training available through the National Training Bureau, Pakistan Manpower Institute and others with efforts to increase labour export through the Overseas Employment Corporation and the Bureau of Emigration and Overseas Employment. This includes close coordination and links with community welfare attachés abroad.
- vi. Welfare of Pakistani migrants abroad and their dependants in Pakistan.
- vii. Periodic assessment, review and analysis of human resources and employment requirements overseas.
- viii. Administrative control of the Overseas Pakistanis Foundation.
- ix. Special Selection Board for posting community welfare attachés in Pakistan embassies and missions.
- x. Administration of:
  - a) Emigration Ordinance, 1979 (XVIII of 1979);
  - b) Control of Employment Ordinance, 1965 (XXXII of 1965);
  - c) Workers' Welfare Fund Ordinance, 1971 (XXXVI of 1971);
  - d) Companies Profits (Workers participation Act, 1968 (XII of 1968); and
  - e) Employees' Old-Age Benefits Act, 1976 (XIV of 1976) including supervision and control of the Employees' Old-Age Benefits Institution.
- xi. Administrative control of:
  - a) Overseas Employment Corporation; and
  - b) Bureau of Emigration and Overseas Employment.
- xii. Foreign employment and migration.
- xiii. Administration of the Industrial Relations Act, 2012, keeping a watch on labour legislation from the international perspective, coordination of labour legislation in Pakistan and industrial relations.

Source: See [www.pc.gov.pk/usefull%20links/ROB/Rules%20of%20Business%20amended%2016th%20August,%202012.pdf](http://www.pc.gov.pk/usefull%20links/ROB/Rules%20of%20Business%20amended%2016th%20August,%202012.pdf) [accessed 5 July 2016].

### 4.1.1 Bureau of Emigration and Overseas Employment

The BEOE was established in 1971 through a merger of three agencies: (i) the National Manpower Council, (ii) the Protector of Emigrants and (iii) the Directorate of Seamen's Welfare. The BEOE started functioning under the Emigration Act of 1922 and its Rules (1959), which were subsequently replaced by the Emigration Ordinance, 1979 and its Rules. The BEOE has five directorates: Directorate of Administration, Directorate of Coordination, Directorate of Operations, Directorate of Research and the Directorate of Information Technology.

The BEOE is a regulatory body that controls, regulates, facilitates and monitors the foreign migration process (by supervising implementation of the Emigration Ordinance and its Rules). It is responsible for issuing licenses to private overseas employment promoters as well as overseeing migrants who arrange their own employment.<sup>13</sup>

Another important function is to report regularly on the labour market situation in their respective country as well as development plans, programmes and projects with potential for employment of Pakistani workers (table 13).<sup>14</sup>

Another task of the BEOE is to collect and tabulate data on all Pakistanis working abroad for employment, which it has done since 1971. The BEOE is also responsible for overseeing the delivery of pre-departure orientation to all migrant workers, who are required to appear in person in a Protector of Emigrant Office.

In collaboration with the State Life Insurance Corporation of Pakistan, the BEOE provides insurance coverage of workers going abroad for employment. The insurance provides for life and disability coverage up to PKR1 million, on the payment of a mandatory one-time premium of PKR2,000 (\$19). The insurance coverage is for two years and compulsory.

### 4.1.2 Overseas Pakistanis Foundation

The Overseas Pakistanis Foundation was established under the Emigration Ordinance with a mandate to look after the social welfare of overseas Pakistanis working or settled abroad and their families in Pakistan. The Foundation provides a number of services, most importantly the management of the Overseas Pakistanis Pension Fund. It invests in education institutions, housing schemes and vocational training centres that provide members and their dependants services; in time of distress it supports overseas Pakistanis and their families, including rescue operations, legal support to grievances and repatriating the remains of Pakistanis who die abroad.<sup>15</sup>

A three-year membership (compulsory) fee is PKR2,000. All activities of the Overseas Pakistanis Foundation, except the education and housing schemes, are funded solely by the membership fee from migrant workers.

<sup>13</sup> individuals that find foreign employment through their own efforts or through relatives and friends working abroad – as their mode of migration

<sup>14</sup> Presentation by the Overseas Pakistanis Foundation during its conference, co-hosted with the ILO, on "Skills in Demand in GCC Countries: Challenges and Opportunities for Pakistan", 26 June 2014 in Islamabad.

<sup>15</sup> <http://www.opf.org.pk/>

### 4.1.3 Overseas Employment Corporation

The OEC was established in 1976 and is the only public employment promotion agency. Its head office is located in Islamabad with regional offices in Karachi, Lahore, Peshawar and Quetta. The OEC is mandated to promote employment of professionals and workers of all skill level in foreign countries. The OEC only recruits through government-to-government agreements, such as the Korea Employment Permit System; it recruits doctors and teachers to Saudi Arabia and doctors and nurses to Oman and Libya, among other countries. From 1971 to 2015, about 2 per cent of all migrant workers used the OEC services.

The corporation also has an online “resume bank” that currently hosts a curriculum vitae for more than 192,000 professionals and highly skilled candidates interested in working overseas. Since its inception, it has provided more than 128,000 workers to foreign employers in the public and private sector in 53 countries.<sup>16</sup> Such numbers compare poorly with that of private overseas employment promoters.

## 4.2 MANAGING MIGRATION: LEGAL AND POLICY FRAMEWORK

### 4.2.1 Emigration Ordinance, 1979

The Emigration Ordinance was issued in March 1979 after repeal of the Emigration Act, 1922. It consists of seven chapters that explain the procedure of migration control and governance, the role of various departments and penalties for violations.

Emigration Ordinance defines all related terms, designations and processes of migration. The Ordinance explains unlawful migration and imposes a maximum penalty of five years’ imprisonment or fine or both in case of any attempt, assistance or agreement made to help any person through a process that is not in conformity with the law. If any recruitment agency facilitates, recruits or engages in any way a departing migrant without appearing in the Protector of Emigrant Office is also considered unlawful migration and subject to punishment. Anyone who fraudulently induces, forces or coerces someone out of the country or provides or prepares forgery documents or possesses tools used for forging documents is subject to up to 14 years’ imprisonment as penalty.

The Ordinance grants powers to the Government to make rules for carrying out the law, including the power and duties of officials and matters related to licensing, recruitment industry regulation and the control of illegal migration. The rules also cover setting up pre-departure information and training centres to guide and advise intending migrants and their dependants, the fees that recruitment agencies can charge and their code of conduct.

The Ordinance also empowers the Government to not only control and supervise the overseas employment promoters but to prohibit unlicensed persons from assisting or recruiting persons to migrate. The Ordinance requires all information is prepared in Urdu regarding the rules, regulations and customs of the country of destination as well necessary terms and conditions of employment (table 10).

<sup>16</sup> See [www.oec.gov.pk/index.php/about-us/overview](http://www.oec.gov.pk/index.php/about-us/overview) [accessed 5 July 2016].

What the law does not talk about is skill development for overseas employment nor does it establish any links with skill development institutions.

**Table 10.** Chapters and thematic areas of the Emigration Ordinance, 1979

Chapter	Thematic area
1. Preliminary	Title, extent, application, commencement and definitions.
2. Director General and Protector of Emigrants	Appointment, role and responsibilities of the BEOE Director General, the Overseas Employment Corporation, the Protector of Emigrants and the commercial welfare attachés.
3. Migration	Regulation of migration, power to the federal Government to prohibit migration of any class or category of person.
4. General	Control of smuggling, formation of advisory committee to the Government and advertisement for recruitment.
5. Appointment of overseas employment promoters	Process and authority of granting licence to recruitment agencies.
6. Rules	Power to make rules and areas for rules.
7. Offences, penalties and procedures, validation and savings	Offences and penalties of violations specially unlawful emigration, fraudulently inducing to emigrate, false representation of government authority, violation of foreign agreement with employer by emigrant and over money charging for facilitation of employment and procedure to counter illegal emigration and other offences, including establishing special courts.

Source: See [www.fia.gov.pk/en/law/Offences/19.pdf](http://www.fia.gov.pk/en/law/Offences/19.pdf) [accessed 5 July 2016].

#### 4.2.2 Emigration Rules, 1979

The Emigration Rules cover the exercising of powers granted under section 16 of the Emigration Ordinance and were last updated in 2012. The Emigration Rules provide detailed information on the legal migration process and the roles, responsibilities and powers as well as the functions of various officers and offices, such as the Director General, the Protector of Emigrants, the community welfare attachés and the advisory committee. It also provides detailed information on the regulation of overseas employment and overseas employment promoters, the procedure for licencing recruitment agencies and their renewal, a complaint-handling mechanism and the establishment of a Workers' Welfare Fund (and its use and objectives).

The Rules make it compulsory for all persons going abroad for work to register with the insurance scheme and to check in with the Protector of Emigrant Office. The Rules allow recruitment agencies to form an association with approval of the Government, with every licensed recruitment agency required to join the association and follow the code of conduct elaborated in the Rules and in the rules of the association. The Rules grant powers to the Overseas Pakistanis Foundation to manage and invest the Welfare Fund.

The Rules entitle an overseas employment promoter to receive from the migrant, after selection for employment abroad, actual expenses incurred on air ticketing, medical, work permit, levy, visa and documentation of the migrant but asks for issuance of proper receipt. The Rules allow each promoter to operate two branches but forbid appointment of a sub-promoter.

The Rules also explain in detail the process of complaint receiving, handling procedure and compensation, in Pakistan and in destination countries. Migrant workers have only six months from the time they begin working in a host country to register a complaint against their recruitment agency.

#### **4.2.3 National Skills Strategy, 2009–13**

With “skills for employability, skills for all” as its vision, the strategy provides policy direction, support and an enabling environment to the public and private sectors to implement training for skills development to enhance social and economic profile. The National Skills Strategy makes a paradigm shift towards skills development in the country by: (i) shifting from time-bound, curriculum-based training to flexible, competency-based training and (ii) from a supply-led training to demand-driven skills development. The strategy promotes the role of industry in both the design and delivery of TVET.

The strategy stresses relevant skills with improved accessibility, employability and assured quality, to be achieved through a reform process.

The strategy acknowledges that the participation rate of women in the labour force is very low compared to other countries in the region and suggests that social and cultural attitudes towards the value of educating women and their participation in economic development as the main reasons for the low participant rate. The strategy aims to design policies that encourages the social acceptance of women to enrol in traditional and non-traditional training courses.

The strategy recognizes that while remittances already form an important part of Pakistan’s foreign exchange earnings, it could increase further if the skills levels of migrants would be increased. The strategy emphasises the need to assess the labour market situation in the international job market and how it will affect Pakistani workers ability to get job, as well as the need to ensure that local training standards meets international standards.

The National Vocational and Technical Training Commission is planning to develop an information management system to collect data on international skill demand which will be available to all stakeholders in the TVET sector to formulate policies and programmes. The National Vocational and Technical Training Commission also aim to establish institutional partnerships for international accreditation, joint certification and mutual recognition agreements.

A TVET reform programme is in a second phase. Funded by the European Union and the Government of Germany, it is being implemented by the NAVTTC with support from GIZ. Beneficiaries are the provincial TVET Authorities and other stakeholders. In addition, the World Bank, the British Department for International Development (DFID) and the ILO have developed support programmes in the provinces. Of them, DFID’s €50 million programme is largely for the Punjab Skills Development Fund, with a matching grant by the government of Punjab. In its first phase, the programme focused on the underdeveloped regions or districts of the province; the second phase emphasized province-wide coverage.

The National Vocational and Technical Training Commission has established career guidance and placement centre including a job seekers database that links job seekers with employers and the overseas employment promoters.

#### 4.2.4 Memoranda of understanding on labour migration

To expand its extraterritorial jurisdiction and accord more protection to its citizens abroad, the Government of Pakistan has signed bilateral agreements or memoranda of understanding (MOU) with a number of destination countries. The Government treats these agreements confidential, thus it is not possible to examine their content for issues related to skills. Among the agreements:

- MOU with the United Arab Emirates (start date: 22 Dec. 2006, valid for four years). A new MOU is being drafted.
- MOU with Kuwait (start date: 6 Nov. 1995, to continue till termination). An addendum to this MOU has been made.
- MOU with Bahrain (start date: 9 Mar. 2014).
- MOU with Qatar (start date: 1987, to continue till it is terminated).
- MOU with the Republic of Korea (start date: 26 June 2006, to renew every two years).

The Government is drafting MOUs with the governments of Saudi Arabia and Italy.

### 4.3 MANAGING MIGRATION: MIGRATION PROCESS

A person selected for foreign employment must register with the BEOE through any Protector of Emigrants Office. This registration entitles a prospective migrant to (i) Overseas Pakistanis Foundation facilities, (ii) insurance coverage for a period of two years and (iii) a national identity card for overseas Pakistanis (NICOP).

Table 11 lists all payments that are required of outgoing migrant workers. In total, a migrant using an overseas employment promoter should expect to pay between PKR21,125 (\$201) and PKR31,524 (\$301) for a range of costs, as shown in table 3. Migrants who have secured employment directly typically pay more, between PKR45,575 (\$435) and PKR48,524 (\$463). The official charges cited in table 11 are seldom applied in practice, and workers end up paying substantially more to secure employment abroad through an overseas employment promoter.

**Table 11. Fees and service charges paid by prospective overseas migrants (PKR)**

	Overseas employment promoter	Direct employment	Overseas Employment Corporation
Service charges	PKR1 500 (\$14.32) (if employment for up to 120 days) PKR6 000 (\$57.30) (if monthly salary up to \$1 200 and contract for more than 120 days) PKR10 000 (\$95.50) (if salary above \$1 200 and contract for more than 120 days)	PKR25 000 (\$239) <sup>a</sup>	From professionals PKR65 000 (\$621) <sup>b</sup>  From labourers PKR 40 000 (\$382)  This includes air ticket
Welfare Fund of Overseas Pakistanis Foundation	PKR2 000 (\$19)	PKR2 000 (\$19)	PKR2 000 (\$19)
State Life Insurance Corporation fee	PKR2 000 (\$19)	PKR2 000 (\$19)	PKR2 000 (\$19)
Foreign service agreement and stamping fee	PKR500 (\$4.8)	PKR 2,500 (\$ 23.8) PKR 1,450 (\$13.8) (in case of employment up to 120 days)	PKR6 000 (\$57)
Registration fee (application for job)			PKR3 000 (\$29)
E number charges <sup>c</sup>	-	-	PKR4 000 (\$38)
National ID card for overseas Pakistanis	PKR2 625 (\$25) to PKR3 674 (\$35)	PKR2 625 (\$25) to PKR3 674 (\$35)	PKR2 625 (\$25) to PKR3 674 (\$35)
Visa fee <sup>d</sup>	Saudi Arabia: PKR7 850 (\$75) UAE: PKR5 600– PKR7 000 (\$53–\$67)	Saudi Arabia: PKR7 850 (\$75) UAE: PKR5 600– PKR7 000(\$53–\$67)	Saudi Arabia: PKR7 850 (\$75) UAE: PKR5 600–PKR7 000 (\$53–\$67)
GAMCA Medical examination fees <sup>e</sup>	PKR 5 500 (\$52.50)	PKR5,500 (\$52.50)	PKR5,500 (\$52.50)
<b>Total</b>	<b>PKR21 125–PKR31 524 (\$201–\$301)</b>	<b>PKR45,575– PKR48,524 (\$435–\$463)</b>	<b>PKR72,125– PKR99,024 (\$688–\$946)</b> <b>This includes air ticket</b>

## Notes:

a In most cases, individuals who proceed on overseas employment on a "direct" basis also engage an overseas employment promoter to process their case, as informed by field visits. Overseas employment promoters in Rawalpindi charge a lump sum fee, PKR25,000.

b A slightly different fee structure applies for employment in the Republic of Korea and entails only a service charge.

c This refers to the registration fee for an applicant to keep their resume active on OEC's website for a one-year period.

d According to Rule 15(a) of the Emigration Rules, an overseas employment promoter is entitled to receive actual expenses incurred on all items pertaining to the processing of a worker's case, including the visa fee. However, the visa fees vary substantially by category of work or across companies within a destination country, so it is not possible to give an average figure here.

e Workers going to United Arab Emirates can obtain a medical examination from any medical centre – they are not required to use a GAMCA centre.

Source: Ministry of Overseas Pakistanis and Human Resource Development, National Database and Registration Authority, Overseas Pakistanis Foundation and OEC.

Exchange rate used PKR 1 = US\$104.71

Several costs are occurs throughout the migration process, including those linked to obtaining labour demand and having it certified by the community welfare attachés in the country of destination, approval of the labour demand by the Protector of Emigrants (including attestation of the employment visa), visa processing, advertisement, interviews, trade tests if required, payment to a sub-promoter, health checks and certificate and the purchase of air tickets and any other formalities related to travelling. As indicated in section 4.2.2, there is a provision for the reimbursement of charges, including airfare, because foreign employers may refuse to cover it.

According to international standards, most aspects of the migration costs should be paid by the employer; in many cases, these costs are transferred to the migrant workers. A 2016 study by the ILO<sup>17</sup> concludes that a low-skilled migrant worker from Pakistan working in the construction or agriculture sectors pays on average PKR358,875 (\$3,489) for a job in Saudi Arabia or the United Arab Emirates. The average cost of migration to Saudi Arabia is considerably higher (at PKR441,266, or \$4,290) than to the United Arab Emirates (at PKR242,542, or \$2,358). The report concludes that the high migration costs experienced by migrant workers from Pakistan are a major governance issue.

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<sup>17</sup> ILO 2016.



# Matching the demand for migrant workers 5

## Matching the demand for migrant workers

### 5.1 SKILL SUPPLY FOR INTERNATIONAL MIGRATION

Public and private training providers in the country have used different terminology when referring to skills for employment, the labour market and jobs. Establishment of placement centres by the provincial Technical Education and Vocational Training (TVET) Authorities and Punjab Vocational Training Council (PVTC) and management committees at each centre or institution with a private sector representative in each are helping to unify training and even the language used. Development of the skills labour market information system (SLIMS) by the TVET Authorities and the National Vocational Technical Training Commission (NAVTTTC) have created a better enabling environment for vocational guidance, employment counselling and job placement.<sup>18</sup>

Some of these training providers are currently trialling competency-based training. The process involves a skills baseline survey and a survey of employers' needs, along with sector-specific studies, such as food processing, meat, dairy sector, cutlery and surgical instruments, fans and auto parts, such as what Punjab Skills Development Fund<sup>19</sup> has conducted to understand the labour market dynamics to better match skills (and to cater to the small and micro enterprises, including productive self-employment).

Maintaining the overseas demand for Pakistani workers has become a stress point in the design and delivery of training. In response, the Punjab Skills Development Fund commissioned a study on skill demand in GCC countries and the Punjab TVET Authority conducted a skilled workers demand assessment also in GCC countries. The assessment identified the following sector with potential for Pakistani workers:

- hospitality (professional cooks, chefs, barista, travel and tour operators);
- garments (fashion design, stitching machine operators);
- beautician;
- information and communication technology (web design, social media marketing);
- micro entrepreneurs;
- service (security guards); and
- health care.

A delegation of Punjab TVET Authority officials, led by the Minister for Employment and Human Resources visited Qatar in 2015 as part of a series of initiatives to liaise with employers and officials in destination countries in the GCC region to understand their requirements for skilled workers and views on the quality of Pakistani workers' skills. The Sindh TVET Authority is setting up a Migration Resource Centre to link with 17 employment exchanges in the province, with a focus on overseas placement. The Punjab TVET Authority has already established a similar unit.

<sup>18</sup> For instance, see the Punjab web portal at [www.TVETa-slmis.gop.pk/](http://www.TVETa-slmis.gop.pk/) [accessed 5 July 2016].

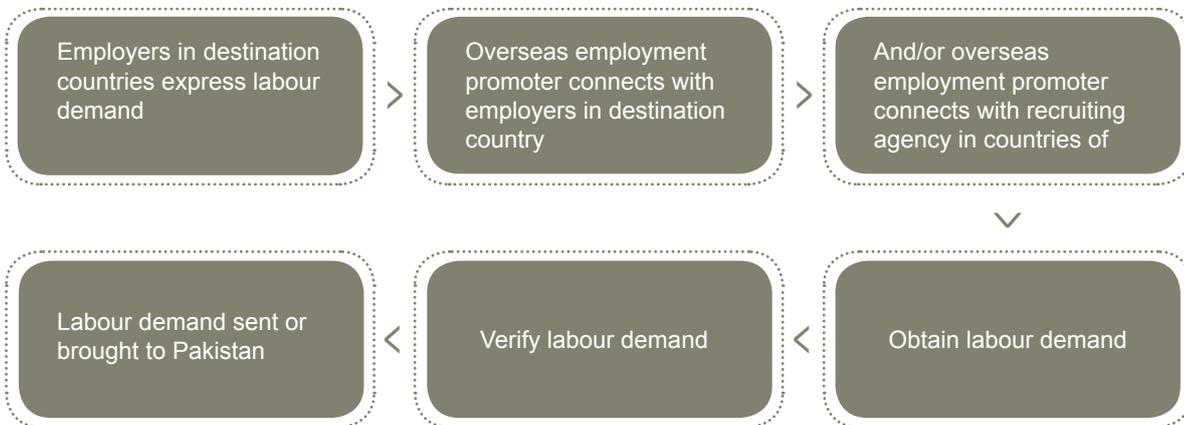
<sup>19</sup> See <http://psdf.org.pk/media-center/publications/> [accessed 5 July 2016].

## 5.2 PROCESS OF MATCHING SKILL DEMAND FOR AND SUPPLY OF MIGRANT WORKERS: ACTORS INVOLVED

Fulfilling the demand for migrant labour overseas involves essentially two processes: (i) the process to obtain labour demand in destination countries and (ii) the recruitment process, culminating in the departure of workers.

Figure 3 illustrates the first stage process and actors involved. The employers comprise those with approval to hire foreign labourers and contractors and obtain new projects in destination countries, including their subcontractors and those employing domestic workers.

**Figure 3.** Obtaining and processing labour demand – Stage 1



Labour providers comprise recruitment agencies in the destination countries, overseas employment promoters in Pakistan and even employees who seek employment on their own through a relative, friend or online applications.<sup>20</sup> They negotiate terms and conditions with employers. Outside the public sector and multinational corporations that pay for services provided by overseas employment promoters and cover the cost of workers’ travel expense, the majority of work visas obtained by overseas employment promoters invariably involve payment to employers or a local recruiting agency. This payment is then passed on in the form of fees to the migrating workers.

Overseas employment promoters or their agents regularly visit destination countries to connect with potential employers and recruiting agencies to obtain labour demand. On occasion, the overseas employment promoters learn of jobs through the community welfare attaché offices.

All GCC countries apply the kafala, or sponsorship, system, which also governs the recruitment process. Although sponsors are typically employers, this system is also linked with excessive rent-seeking, exploitation and human rights violations. Many workers are recruited through agencies

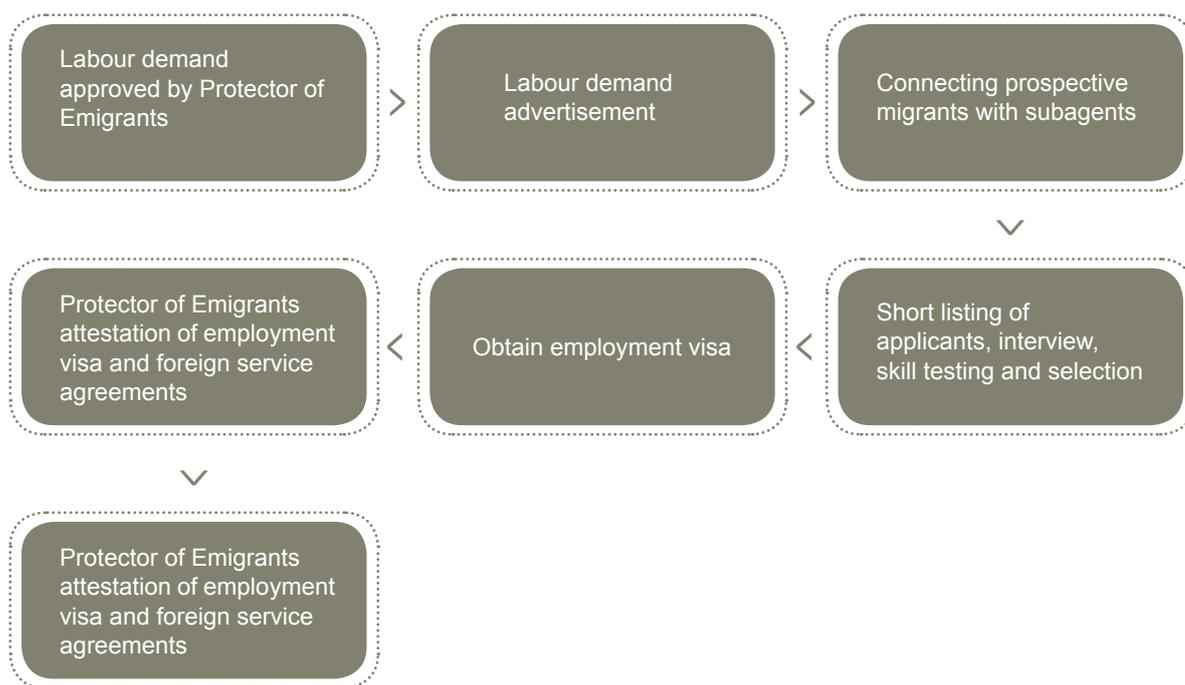
<sup>20</sup> Use of information and communication technology and friends and relatives are also important sources – more than two-fifths of migrants from Pakistan in recent years have obtained their employment visa on their own through a group. Their offer letters and foreign service agreements are attested by Pakistani ministries or embassies.

with access to visas from kafeels, or sponsors, with surplus requirements or recruitment agencies with a block allocation of visas and then look for a job upon arrival in the country. Or they work for companies that are restricted by quotas for national employees.<sup>21</sup>

Improvements have been achieved recently, such as modifications in employers’ restrictions on withholding a worker’s passport, rights to bring along a family and transfer of sponsorship, but violations continue.

In the second stage of the process, the overseas employment promoters seek to fill the labour demand (figure 4) obtained abroad. The first step is approval from the Protector of Emigrants for that labour demand. The promoters then advertise the available jobs in newspapers or approach prospective migrant workers on their own (through a waiting list) or through subagents (though illegal). Overseas employment promoters pay subagents for their services. The promoters then interview prospective migrant workers and organize skill testing if required. They then make all arrangements for obtaining the employment visas and then seek attestation of the employment visas and foreign service agreements from the Protector of Emigrants.

**Figure 4.** Recruiting in Pakistan – Stage 2



<sup>21</sup> Based on interviews with stakeholders and ILO and GIZ, 2015.

### **5.3 ROLE OF PRIVATE OVERSEAS EMPLOYMENT PROMOTERS IN MATCHING SKILL DEMAND AND SUPPLY**

The recruitment and selection of workers for employment abroad and in particular for GCC countries is inconsistent. It varies widely by sector, occupation and firm size.

As the previous section described, the practice is dominated by the private sector, and mostly the overseas employment promoters. The use of directly obtaining work (and the needed) has been increasing in recent years. Overseas employment promoters interviewed for this study reported that multi-skilling is increasingly required by employers in GCC countries. They also pointed out, however, that training of two to three months is considered sufficient to meet the skill requirements of a significant number of employers in destination countries. Prospective migrant workers are engaging in non-formal modes of training, which tends to raise them to the level of semi-skilled worker.

This is a reality that public sector skill providers are either unaware of or unconcerned about, if only because they deal with workers a secondary school certificate or at least a middle-school level of education. The majority of prospective migrants do not have such an education level and thus turn to other skill providers.

The interviewed promoters also reported that the search for prospective employers abroad, especially by South Asian-based promoters, is leading to negative competition, resulting in lower wages and uneven standards. They stressed the need for a South Asian code of conduct.

Some recruitment promoters, however, also misrepresent the contract modalities to potential migrants, which then differ once the workers arrive in the destination country. This misrepresentation results in a mismatch of skills and jobs, though the workers then learn on job.





Raising the skill competence of the workforce is high on the agenda of the political leadership and policy-makers. This is reflected in the establishment of a TVET Authority in all provinces and the National Vocational Technical Training Commission (NAVTTTC) in Islamabad. In Punjab, a separate institution, the Punjab Vocational Training Council (PVTC), was set up to provide useful training for youth among the lower socioeconomic strata of the population. The Prime Minister's Youth Skill Development Programme targets training for 25,000 unemployed youth (from lower- and middle-economic strata households).

Additionally, the Punjab Skills Development Fund in southern Punjab, which manages training programmes through training providers. This programme is now slated to be expanded to the whole province. In Sindh, the Benazir Bhutto Shaheed Youth Development Board was established to provide skills development to youth through training providers in the province.<sup>22</sup> The TVET Authorities and the Punjab Skills Development Fund also focus on skills training for migration; the Benazir Bhutto Shaheed Youth Development Board is developing similar modalities.

The importance of on-the-job-training was recognized more than 50 years ago through the Apprenticeship Training Ordinance, 1962.<sup>23</sup> In 1979, the Government launched the National Vocational Training Project. The National Training Board was constituted under the National Training Ordinance, 1980 (amended in 2002) to regulate and promote vocational training activities in the country and to assess on a continuing basis existing and future training needs, both local and foreign.

Realizing the lack of private sector participation, the Government established the Skills Development Council in each provincial capital and in Islamabad in the 1990s, under a public-private partnership. The Government also provided seed money that led to the Employers' Federation of Pakistan to nominate chairpersons and provided autonomy to design and deliver vocational training in line with market requirements.

Frustrated with the slow pace of change by the National Training Board, the Government established the National Vocational and Technical Education Commission through a Cabinet Division's notification<sup>24</sup> in 2005 and later an Ordinance in 2009,<sup>25</sup> with the mandate to regulate, coordinate and make policy direction for TVET. The Commission covers laws and regulations, skill standards and curricula, accreditation, instructors' training, performance evaluation, industry linkages, public-private partnerships, national and international links, data of training needs, and institutions and placement programmes. The name changed to the National Vocational and Technical Training

<sup>22</sup> Based on a meeting with the Board's chairman, and the provincial coordinator in March 2016.

<sup>23</sup> Applicable to all industrial establishments employing 50 or more workers, with five workers in an apprenticeable trade, it requires that at least one-fifth of total persons employed in apprenticeable trades are recruited by the industrial establishment for training. At least three-fourths of an apprentice's working hours must be devoted to practical training and the rest to theoretical instruction.

<sup>24</sup> Cabinet's Division Notification No. 4-16/2005-Min-1, 30 Dec. 2005.

<sup>25</sup> Ordinance No. 6 of 2009, Gazette of Pakistan Extra Ordinary, 27 Feb. 2009.

Commission in 2011.<sup>26</sup> Although its vision expanded to provide “skills for employability, skills for all”, its functions largely remain the same.

Despite these efforts and the importance attached to TVET and tapping the employment potential overseas, skill providers in the public sector had a larger focus until quite recently on skill development (primarily for absorption in the local labour market) and promoting micro enterprises and self-employment.<sup>27</sup> In addition to the poor quality and relevance of TVET programmes, facilities tend to cater to a small proportion of people who should be in the training.

Although many graduates and students are interested to go overseas for employment, until recently there was no systematic mechanism to assist them. Graduates of some high-quality private and public sector institutions nevertheless find employment overseas, mostly in GCC countries.<sup>28</sup> Women graduates are also interested in seeking employment overseas but are reluctant in the absence of proper safeguards and the stories they hear of exploitation and harassment.

Vision 2030, launched in the late 2000s, called for the Government to reintroduce technical and vocational curricula in the final two years of Pakistan’s secondary schools. According to the Pakistan Economic Survey report, “Its economic potential and likely impact for employment and SME improvement are enormous. It is also an incentive to complete schooling [the aim being to] gradually increase vocational and technical education numbers to 25–30 per cent of all secondary enrolment by 2015 and 50 per cent by 2030.”<sup>29</sup>

Despite this emphasis, TVET enrolment at the time of this study was a mere 311,000 students. Considering the youth bulge and that there are 4.5 million students enrolled in secondary and higher secondary school, the TVET training appears underwhelming (table 12).

**Table 12.** School enrolment, by grade level, 2013–14

Stage	Enrolment (million)
Pre-primary	9.47
Primary	18.76
Middle	6.44
Secondary	3.02
Higher secondary	1.49
Degree college	0.77
University	1.97
TVET	0.31
<b>Total enrolment:</b>	<b>42.23</b>

Source: Pakistan Economic Survey, 2013–14.

<sup>26</sup> The Gazette of Pakistan Extra Ordinary, 29 June 2011.

<sup>27</sup> See Annex III for the meetings with stakeholders mentioned at numbers 3, 11, 12, 13, 16,17,18,19 and 27.

<sup>28</sup> Some of such institutions are: (i) private sector – Ahmad Hassan Polytechnic, Lahore, AMAN Tech, Hunar Foundation, MITI and Hunar Foundation, Karachi; and (ii) public sector – Construction Technology Training Institute in Islamabad.

<sup>29</sup> Reproduced from Pakistan Economic Survey, 2012–13.

The current stage of TVET outreach is summarized by the implementation plan of the Framework for Growth Strategy as:

- comprising 3.7 per cent of secondary school enrolment;
- enrolment of about 300,000, with 1.8 per cent of the drop-outs from primary and secondary schools;
- 6 per cent of youth-acquired TVET;
- 8.7 per cent of labour force attained TVET;
- lacking demand-driven skills; and
- poor quality overall.<sup>30</sup>

In interviews for this study, overseas employment promoters reported that multi-skilling is emerging as a requirement by an increasing number of employers in GCC countries. They also noted that training of two to three months is considered sufficient to meet the skill requirements of a significant number of employers in destination countries. Such training is taken up by prospective migrant workers through non-formal modes of training, but mainly confined to semi-skilled trades. This is a reality that public sector skill providers are largely unaware of or even seem to be “unconcerned” about, according to interviewed promoters. The entry requirements of TVET institutions, for example, are largely a secondary school certificate or at least a middle-school level of education. The majority of prospective migrants tend not to have that level of education. Thus, private sector skill providers meet the needs of those having less education or who are poorly educated.

In contrast, study interviews with training providers in February–March 2016 revealed increasing stress on good-quality, certified and recognized trade skills for better employment and income outcomes. The training providers also noted that picking up demand for low-skill jobs is widely practised by overseas employment promoters to meet the semi-skill requirements of employers; other skill mismatch, they noted, is due to poor preparedness by and/or awareness of overseas employment promoters regarding initiatives by TVET providers, including certification by foreign institutions (such as the City & Guilds in the United Kingdom). In recent years, there has been a shift to competency-based training to better prepare skilled persons and achieve greater employment outcomes within the country and overseas.

Employers’ preference for low-skilled workers in the countries of destination is also for the prior skill work experience of workers. There is supply of such workers, readily available for overseas work, in the skills development process under the traditional Ustad-Shagird system (master craftsman and apprentice). The interviews with the overseas employment promoters indicated that workers skilled through such a process are of high quality and are successful in the trade tests conducted by prospective employers.

The ILO-GIZ study<sup>31</sup> echoes this observation, finding that “prior migrant labour experience is generally preferred to TVET certification because of a perception that firms in destination countries are far more technically advanced than the training in TVET systems in countries of origin or because of a lack of trust in the training and certification.

<sup>30</sup> Planning Commission: Implementation Plan of Framework for Economic Growth, Result-Based Management, Government of Pakistan, Islamabad, 2012.

<sup>31</sup> ILO and GIZ, 2015.

Overseas employment promoters also indicated willingness to establish their own training institutions but need the official support. English competency and understanding of elementary Arabic is considered as an advantage in facilitating employment at higher levels of wages.<sup>32</sup> This is also a priority of training providers now, both in the public and private sectors.

Recognizing the importance of certified skills in the context of the changing demand for skilled workers, public and private TVET providers are increasingly linking with foreign assessors, such as City & Guilds in the United Kingdom. Currently, 130 TVET providers (75 public, including 50 centres of the Punjab TVET Authority, and nine centres of Sindh TVET Authority, and 55 private) are providing skills based on City & Guilds standards. In addition, as noted previously, the Punjab TVET Authority has established a placement unit for overseas employment.<sup>33</sup> The Punjab and Sindh TVET Authorities and the Punjab Skills Development Fund are looking to obtain a license to act as an overseas employment promoter and possibly the authority to act as a Protector of Emigrants Office.

The National Vocational and Technical Training Commission signed an MOU with City & Guilds (United Kingdom) and with Skills International (Sri Lanka) to extend cooperation for the promotion of quality in skills development in Pakistan. A Commission official stressed that its validated courses according to National Vocational Qualification Framework will be determined on the standards of British Qualification Framework. The National Vocational and Technical Training Commission is also trying to establish liaison with international skill providing and recognition organizations like Takamol, Centre for Skills Development.

Skills training for migration now appears high on the agenda in terms of plans and policies. This priority is in contrast to the earlier focus of TVET Authorities. Skills for migration, for example, was never reflected in the visions, missions and objectives of the TVET Authorities, with one exception. The Sindh TVET Authority vision statement cites: “Develop qualitative workforce meeting local and international labour market needs”.

Skills training providers need to be aware of the reality that the majority of migrating workers who are semi-skilled or low-skilled acquired their skills from the private training institutions (with courses of two to three months) that are easily accessible because their enrolment requires less than a secondary school certificate and are even open to school drop-outs.

<sup>32</sup> Meetings with stakeholders mentioned at serial numbers 1, 2, 6, 8, 22 and 27 of Annex III and additional meetings conducted during February – March 2016.

<sup>33</sup> Figures based on a meeting with Skills International Pvt Ltd in March 2016 in Lahore.

These attributes are in contrast to the formal sector training institutions, where: (i) enrolment requires a secondary school certificate; (ii) courses run between six and 24 months; (iii) training is quite often not linked with even domestic labour market needs; and (iv) poor-quality training is linked with poor infrastructure, including equipment and trainers.

Frustrated with the competency level of workers for skilled jobs, some foreign employers and recruiters have initiated their own vocational training programmes in Pakistan. One such initiative is the establishment of a vocational training institute within the premises of the National Training Bureau by a Saudi Arabian employer (box 3).<sup>34</sup>

**Box 3****VOCATIONAL TRAINING INSTITUTE  
IN PAKISTAN ESTABLISHED BY FOREIGN EMPLOYERS**

The Saudi Arabia-based Al-Hazza company entered into an agreement with the National Training Bureau (the predecessor to NAVTTC, which was devolved by law in 2011) to establish a fully equipped training workshop for skills development in construction-related work that largely require use of heavy machinery. The trainees will be absorbed the Al-Hazza in its different projects. Eight workshops have been completed, but an ongoing dispute between the local contractor and the company has delayed the launch of the vocational training programmes.

The Libya-based MAKCO also entered into an agreement with the National Training Bureau to establish a vocational training institute within its premises. Graduates are to be absorbed by the company in its projects in different countries.

<sup>34</sup> Based on the meeting with the Director General, National Training Bureau.



# Labour demand in GCC countries for Pakistani migrant workers and how to match it

## 7

The data indicate the flows for skilled workers from Pakistan decreasing and for semi-skilled workers increasing in the past five years. This trend is expected to continue. The trend corresponds with labour market dynamics and the perception of employers about the suitability of Pakistani workers for semi-skilled jobs and as drivers. This also corresponds with the ILO-GIZ study (2105) finding that “major infrastructure projects, planned or ongoing, in Kuwait, Qatar, Saudi Arabia and the United Arab Emirates will dominate labour demand, mostly unskilled and low-skilled, for the medium term”.

The short- to medium-term labour market trends point out demand for foreign workforce that Pakistan can effectively tap:

1. United Arab Emirates: Abu Dhabi Island (infrastructure, hotels, etc.), the construction sector in Dubai, especially for Expo 2020.
2. Kuwait: the country’s development plan 2010–2015 focusing on infrastructure (and subsequent plans).
3. Saudi Arabia: manufacturing and trade sectors and construction.
4. Qatar: massive construction and related services as well as security in preparation for FIFA World Cup in 2020.

The likely demand in the medium- to long-term horizon for Pakistani workers points to at least 45 trades or disciplines requiring semi-skilled, skilled, highly skilled and technical and professional personnel (table 13).

**Table 13.** Trades, skills and professions in demand in GCC countries

<p><b>A: Non-certified low-skilled workers</b></p> <ol style="list-style-type: none"> <li>1. General labourers</li> <li>2. Domestic workers</li> <li>3. Construction workers</li> <li>4. Cleaners</li> </ol>	<p>18. Steel fixers</p> <hr/> <p><b>C: Accounting and finance personnel</b></p> <ol style="list-style-type: none"> <li>19. Accountants and cashiers</li> <li>20. Auditors</li> <li>21. Financial controllers</li> <li>22. Islamic banking experts</li> </ol> <hr/> <p><b>D: Hospitality personnel</b></p> <ol style="list-style-type: none"> <li>23. Front desk manager</li> <li>24. Professional cooks or chefs</li> <li>25. Waiters and room attendants</li> <li>26. Sales and marketing personnel</li> </ol> <hr/> <p><b>E: IT personnel</b></p> <ol style="list-style-type: none"> <li>27. Network operators</li> <li>28. Software engineers and system analysts</li> <li>29. Web page designers</li> <li>30. Data processing experts</li> </ol>	<p><b>F: Medical personnel</b></p> <ol style="list-style-type: none"> <li>31. Obstetrics and gynaecology doctors</li> <li>32. Nurses</li> <li>33. Lab technicians</li> <li>34. Pharmacists</li> <li>35. Surgeons</li> <li>36. Plastic surgeons</li> <li>37. Ear, nose and throat specialists</li> <li>38. Dermatologists</li> <li>39. Urologists</li> <li>40. Anaesthesiologists</li> <li>41. Radiologists</li> </ol> <hr/> <p><b>G: Engineering personnel</b></p> <ol style="list-style-type: none"> <li>42. Project engineers</li> <li>43. Civil engineers</li> <li>44. Structural engineers</li> <li>45. Electrical engineers</li> <li>46. Mechanical engineers</li> <li>47. Planning engineers</li> <li>48. Architects</li> <li>49. Draughtsmen</li> <li>50. Quantity surveyors</li> </ol>
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Source: Presentation, based on feedback from community welfare attachés, by Overseas Pakistanis Foundation representative during the national conference on Skills in Demand in GCC Countries: Challenges and Opportunities for Pakistan, Islamabad, 26 June 2014.

A report of Punjab Skills Development Fund study on the likely skills in demand in the GCC countries is expected in late 2016. Meanwhile, a skilled workers demand assessment by Punjab TVET Authority identified seven sectors with employment potential for the Pakistani workers in GCC countries: (i) hospitality (professional cooks, chefs, barista, travel and tour operators); (ii) garments (fashion design, stitching machine operators); (iii) beautician; (iv) information and communication technology (web design, social media marketing); (v) micro entrepreneurs; (vi) service (security guards); and (vii) health care. This list combined with the more than 45 skills, trades, professions and occupations listed in table 13 provides sufficient evidence to revamp and tailor TVET and professional education along with strengthening of support infrastructure for expanding the skill level and thus numbers of Pakistani migrant workers in GCC countries.

There are also broad indicators provided by the ILO-GIZ study regarding the demand for trained workers based on new priorities in the GCC countries. It reports “all GCC countries have made efforts to diversify their economies away from the dependency on oil and gas revenues, particularly in Saudi Arabia, where areas such as wholesale and retail trade and hospitality, construction, agriculture, manufacturing, domestic service and human services (education and health care) can be expected to offer (employment) opportunities. There are indications that some new subsectors, such as automobile manufacturing and ‘green’ construction (including advanced water treatment systems and solar panels) will grow, which will require workers with specific technical and vocational skills.”

The surge in labour flows to GCC countries in recent years by hundreds of thousands of Pakistani workers and mainly comprising low-skilled and semi-skilled workers owes to the construction projects undertaken in Saudi Arabia and the United Arab Emirates, which are major destinations for Pakistani workers. Such a trend also corresponds with the widely held perceptions about the type of work that Pakistani workers can perform, especially in construction-related work. While tapping this potential in the short-term would be desirable, the medium- to long-term time horizon necessitates focus on tailoring TVET and even the education system towards occupations falling into the categories of semi-skilled, highly skilled and technical and professional.

**Most GCC countries are currently facing an economic downturn due to the recent fall in crude oil prices. Downsizing and lay-offs of workers in the oil and gas sectors have been reported, as well as in other sectors, particularly construction and other infrastructure projects. While it is not yet clear how this will impact future demand of workers, there are clear signs that the demand particularly from Saudi Arabia has been reduced dramatically in the first half of 2016.**



### **Stay an important source country in future migration flows**

How can Pakistan remain an important country of origin in the medium- to long-term horizon (with higher-skilled workers for labour market needs abroad) but with a simultaneous focus on ensuring greater protection of migrant workers? This is a key question for policy-makers, educators, TVET managers and regulators as well as of those dealing with migration flows. A mechanism that ensures better coordination among TVET providers and the actors involved in migration process – the BEOE, including its community welfare attachés – and overseas employment promoters through their representative organizations is critical.

### **High-quality certified and recognized skilled workers conforming to destination countries' needs:**

Regularly conducting a skilled workers demand assessment in countries of destination should be an integral role of TVET providers. It should be done in close cooperation with community welfare attachés, overseas employment promoters and the BEOE. The assessment findings should be used to tailor TVET and education programmes.

There is need to prioritize high-quality certified and recognized skills demand by providing better skill standards, rapid adoption of competency-based training, assessment of the skills acquired through foreign-based assessors and mutual recognition of certificates. Recent initiatives of TVET providers, including arrangements for certification by City & Guilds, are important and should be expanded.

Foreign employers have established their own training facilities in Pakistan, albeit slowly, to train prospective Pakistani workers to meet their skill standards. Employers in Saudi Arabia and other GCC countries should be approached for similar investment.

The BEOE and its regional offices as well as overseas employment promoters are involved in the design and delivery of short-term public sector TVET programmes, thus ensuring the flow of and availability of information to all stakeholders and tailoring a specific proportion of training places to the demand in foreign market, with GCC countries in particular.

Provincial TVET Authorities need to take a proactive stance to improve skill development. This may require, as part of TVET institutions' programmes, conducting short-term skills development programmes on a regular basis. Public sector training providers that fund training should also focus on skills for migration. Arrangements are needed for sharing the costs with the private sector, primarily the overseas employment promoters.

The BEOE categorizes workers going abroad into five categories of skill: low-skilled, semi-skilled, skilled, highly skilled and highly qualified. This categorization needs to be revised to correspond with the National Vocational and Qualification Framework and standards adopted by the ILO.

Based on feedback received from overseas employment promoters and community welfare attachés, prospective migrant workers (including drivers and skilled and semi-skilled workers) need a grasp of elementary Arabic and English competency to increase their competitive edge in GCC countries.

## Female migration

More than two-fifths of migrants in Asia are females. The Pakistani share, even in traditional countries of destination, is extremely negligible. This is in contrast with the current labour market realities in countries of destination. Sectors and occupations with potential for demand in the short to long terms found in this study indicates significant employment potential of females in the GCC countries. This should be tapped.

Encouraging female migration can be in the form of access to diversified skills development opportunities in line with the emerging demand highlighted in this report. Public sector training providers can take a leading role in creating greater access in their training programmes for females. The skills development programmes should focus on helping women gain skills in demand overseas. The Protector of Emigrant Offices should encourage overseas employment promoters to seek demand for women, create greater awareness of the government policy that encourages the participation of women in foreign employment, except the stipulated minimum age for domestic worker jobs. Within the country, greater employment of women in the services and industry, in sectors with relatively good salaries and wages and with employment security and social protection would women gain certified and recognized skills.

## A labour market information system

The importance of readily available and reliable information cannot be overstressed for a proper understanding of changes taking place in the labour market. Such information is necessary to see the labour market trends. When analysed the information is useful for policy and planning as well designing programmes and outreach campaigns to targeted populations. Vocational guidance, employment counselling and job placement are also dependent upon labour market information. Various official documents, including also the National Employment Policy (2008), the National Emigration Policy (2009), and the National Skills Strategy (2009) have stressed the development of a comprehensive and well-coordinated labour market information system, which has yet to materialize. Its development should be a priority and should also integrate various dimensions – labour outflows, occupational demand in countries of destination and return migration.

Public and private training providers use differing terminology for skills, the labour market and jobs. Establishment of placement centres by the TVET Authorities and provincial vocational and technical centres are considered important in reaching standards in terminology. Development of a skills labour market information system by the provincial training authorities and the National

Vocational Technical Training Commission have been useful for vocational guidance, employment counselling and job placement. There are also simultaneous efforts in developing an information system by the provincial labour and human resource departments. Greater coordination and cooperation is required; one mechanism should be developed.

## **Migration facilitation**

Easy and quick procedures are necessary to facilitate migration. This is applicable to the employment visa processing as well as services for prospective migrant workers. Realizing this importance, the National Emigration Policy stresses the need for a dedicated place or office that provides services to prospective migrants, such as: (i) job information, (ii) obtaining a passport and identity card, (iii) medical tests, (iv) purchase of air ticket, (v) briefing or orientation on the destination country, (vi) language training, (vii) verification of certificates and other documents, (viii) skills training and trade testing and (ix) registering as a migrant worker. The policy suggests a “one-window operation” by establishing an overseas Pakistanis complex that includes a hostel facility in five major cities and provides one-stop service (NEP, 2009). This proposal should be acted upon.

Relevant authorities should address the practice by overseas employment promoters of avoiding demand for skilled and highly skilled workers on the presumption that placement of such categories of workers is difficult due to standards and certification issues. Response should include better coordination of the major stakeholders.

## **Managing migration and protecting the rights of migrating workers**

Protecting the rights of migrants needs greater focus. The community welfare attachés should focus more on ensuring protection of workers’ rights, safer working environments and the timely payment of wages as well as payment for overtime work. Greater cooperation at both the public and private levels in Pakistan is needed to achieve consensus on minimum standards. Cooperation between unions in Pakistan and in destination countries can be important in protecting the rights of migrant workers.

The search by overseas employment promoters for prospective employers abroad is leading to negative competition in South Asia, resulting in lower wages and uneven standards. A South Asian code of conduct should be developed.

Overseas employment promoters are important players in maintaining or even increasing the share of Pakistani workers in destination countries, particularly in the GCC countries. Mistrust about their practices and a “disconnect” with managers of migration should be addressed, as the National Emigration Policy requires.

Managers of migration and the Federal Investigation Agency should collaborate to address overseas employment promoters’ concerns and complaint about the lack of support for them.



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# Annex I: Additional tables

**Table A1.** Share of industry in total employment in Pakistan, various years %

Pakistan	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2012–13
National	21.2	21.4	20.6	21.0	21.4	21.8	22.8
Males	22.7	23.5	22.7	23.1	24.1	24.6	26.2
Females	15.1	12.6	12.2	12.7	11.6	11.5	11.3

Source: PBS, Pakistan Labour Force Survey, various years.

**Table A2.** Share of agriculture in total employment in Pakistan, various years (%)

Pakistan	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2012–13
National	41.6	42.0	42.8	43.3	43.4	43.5	42.2
Males	35.6	35.0	35.2	35.7	35.2	34.9	33.1
Females	67.7	71.4	73.8	72.7	73.9	74.2	74.9

Source: PBS, Pakistan Labour Force Survey, various years.

**Table A3.** Share of services in total employment in Pakistan, various years (%)

Pakistan	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2012–13
National	37.1	36.6	36.6	35.7	35.2	34.7	35.0
Males	41.8	41.5	42.2	41.2	40.7	40.5	40.7
Females	17.3	16.0	13.9	14.6	14.5	14.2	13.8

Source: PBS, Pakistan Labour Force Survey, various years.

**Table A4.** Share of wage and salaried in total employment in Pakistan, various years (%)

Pakistan	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2012–13
National	38.4	38.3	37.1	36.8	36.5	36.9	39.7
Males	41.2	41.5	40.6	40.5	40.7	41.2	43.8
Females	26.6	25.1	22.9	22.6	20.8	21.6	24.9

Source: PBS, Pakistan Labour Force Survey, various years.

**Table A5.** Share of own account workers in total employment in Pakistan, various years (%)

Pakistan	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2012–13
National	36.8	36.0	35.9	34.8	35.6	36.3	34.9
Males	41.5	41.1	41.2	40.1	41.3	41.8	40.1
Females	16.2	14.3	13.9	14.0	14.5	16.6	15.9

Source: PBS, Pakistan Labour Force Survey, various years.

**Table A6.** Share of informal sector in total employment in Pakistan, various years (%)

Pakistan	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2012–13
National	72.3	71.5	72.4	73.0	72.9	73.5	73.3
Males	72.2	71.6	72.4	73.1	73.0	73.9	73.6
Females	73.1	69.9	71.7	71.6	72.7	70.6	70.9

Source: PBS, Pakistan Labour Force Survey, various years.

**Table A7.** Share of employed working more than 50 hours a week in Pakistan, various years (%)

Pakistan	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2012–13
National	41.0	40.0	39.3	38.0	39.5	38.5	36.3
Males	48.3	47.8	47.0	46.3	48.0	46.9	44.4
Females	9.4	7.7	7.6	6.0	7.8	8.4	7.3

Source: PBS, Pakistan Labour Force Survey, various years.

# Annex II: Mission, vision and objectives of TVET Authorities

## Annex II: Mission, vision and objectives of TVET Authorities

### PUNJAB TVET AUTHORITY

#### Mission statement

To enhance global competitiveness in Punjab, through a quality and productive workforce by developing demand driven, standardized, dynamic and integrated technical education and vocational training service.

#### Objectives

- Promote and provide demand driven technical education and vocational training.
- Re-engineer and consolidate the existing technical education and vocational training system under one management structure.
- Develop a dynamic technical and vocational training system to ensure horizontal and vertical mobility.
- Regulate and develop standards of technical education and vocational training, including internationally recognized curriculum, examination and certification system.
- Upgrade teaching abilities, skills and knowledge of teaching staff.
- Upgrade teaching equipment to the required standards.
- Establish close relationship with various sectors of economy namely Agriculture, industry, Services and Commerce.
- Assess the human resource training needs in the context of domestic and global markets.
- Enhance the participation of Private Sector in training activities at Management level.
- Establish a system of public coordination through Boards of Management at the district level, coordinating all institutions in the district and their administration.
- Motivate the local entrepreneurs to patronize the training programmes of TVET Authority institutions, provide on-the-job training facilities and employment to graduates.
- Set up regular monitoring, evaluation and feedback system for the vocational training and teaching education to respond efficiently to the existing and changing demands of the economy.
- Develop and regulate examination, trade testing and certification system to ensure uniformity of education and training standards.
- Prepare training plans, programs and projects keeping in view the local as well as foreign human resource training requirements.
- Study and propose changes in the existing training legislation.
- Develop and offer need-based short courses in the sector of new technologies to industry and also offer services for solutions regarding associated production problems.
- Establish a staff development system to offer demand-oriented teacher and instructor training and upgrading of performance.
- Organize and conduct seminars and workshops for various types of personnel associated with vocational training and technical education.
- Establish data banks for skilled workers and technicians.<sup>35</sup>

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<sup>35</sup> See [www.TVETa.gop.pk/](http://www.TVETa.gop.pk/) [accessed 5 July 2016].

## SINDH TVET AUTHORITY

### Vision

To develop a quality workforce that meets local and international labor market needs by ensuring excellence in training through research and development, effective management and regulation of TVET in the province.

### Objective

- Promote technical education and vocational training.
- Improve: (i) teaching methodologies and administration in TVET institutes, (ii) infrastructure and equipment and TVET institutes, (iii) employability of TVET students (graduates) and (iv) faculty competencies through training.
- Establish: (i) model institutions by upgrading existing institutions, (ii) centres of excellence and (iii) institute-industry linkages.<sup>36</sup>

## KHYBER PAKHTUNKHWA TVET AUTHORITY

### Objectives

The overall objective of the Technical Education and Vocational Training policy is to provide the economy with qualified and competitive workers and to train citizens to participate in sustainable growth and poverty reduction by ensuring training opportunities to all social groups without discrimination.

### Specific objectives of the TVET policy in Khyber Pakhtunkhwa:

- Capacity-building of faculty.
- Expand the TVET facilities according to its scope.
- Produce a competent and flexible skilled workforce.
- Make the existing TVET system relevant to the labour market requirements.
- Place labour market indicator analysis system for sectoral cover of training needs.
- Revamp the TVET system in Khyber Pakhtunkhwa, based on national and international standards and practices.<sup>37</sup>

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<sup>36</sup> See [www.sTVETa.gos.pk/mission.aspx](http://www.sTVETa.gos.pk/mission.aspx) [accessed 5 July 2016].

<sup>37</sup> See [www.kpTVETa.gov.pk/kpTVETa/index.php/features/objectives](http://www.kpTVETa.gov.pk/kpTVETa/index.php/features/objectives) [accessed 5 July 2016].

# Annex III: Stakeholders consulted for the study

Institution/affiliation	Name and designation
<b>Islamabad</b>	
1. Bureau of Emigration and Overseas Employment attaché, Saudi Arabia)	Rana Matloob, Director Research (former community welfare)
2. Overseas Employment Promoters Association	Chairman and two overseas employment promoters
3. Construction Technology Training Institute	Ejaz Hussain, Director
4. Rastgar Engineering Group	Imtiaz Rastgar, Ex Chairman, Skill Development Council
5. Pakistan Workers Federation	M. Zahoor Awan, General Secretary
6. Returned migrants making efforts to go abroad again	Mohsin Ali, Mohsin Steel Works, Tench Bhatta, Rawalpindi
<b>Lahore</b>	
7. Protector of Emigrants	Zafarullah Khan, Lahore
8. Overseas employment promoters: Delta Manpower Express	Col (Retd) Bashir Ahmad, Managing Partner
9. Prospective migrant	Mukhtar Ahmad
10. Group of prospective migrants	Lahore
11. TVET Authority	Azhar Iqbal Shad, GM Academics
12. Ahmad Hassan Polytechnic (private sector)	Abeer Naqvi, Principal, Lahore
13. Punjab Vocational Training Council	Sajid Naseer Khan, Managing Director
14. Lahore Chamber of Commerce and Industry	Engineer Sohail Lashari, President
15. ACE Employees Union affiliated with Building Workers International	Isthtiaq Virk, Executive Committee Member, Asia-Pacific
<b>Karachi</b>	
16. TVET Authority	Syed Nazar Ali, Director Operations
17. Women Vocational Training Institute, Bufferzone	Naheed Nasir, Principal
18. Vocational Training Institute, Al-Hyderi, N. Nazimabad	Aijaz Ahmed Baig, Principal
19. The Hunar Foundation	Muhammad Ali Siddiqui, Principal
20. Employers Federation of Pakistan	Khawaja Nauman, President (also participated by Secretary General)
21. Lawyers for Human Rights and Legal Aid	Zia Ahmed Awan, President
22. Discussion with a group of prospective migrants in the office of Lawyers for Human Rights and Legal Aid	Aqeel Ahmad, Muhammad Ijaz, Adnan Khan, Fazal Adnan, Zahoor Ahmad, Muhammad Luqman, Kamran Afridi, Muhammad Anees, Amjad Ali, and Fazal Razzaq
23. Discussion with a group of returned migrants in the office of Lawyers for Human Rights and Legal Aid	Qazi Fawad, Azeem Khan, Shahid Yaqoob, Muhammad Azam, Muhammad Imran, Manzoor Ahmad and Rashid Memon
24. Skills Development Council	Ahsanullah Khan, Chairman (also participated by Syed Nazar Ali, Director Operations)
25. Workers Employers Bilateral Council of Pakistan	Ahsanullah Khan, Chairman (also participated by five members from employers and workers)
26. Skill Development Council	Ahsanullah Khan, Chairman and Chief Executive Officer
27. Plant Level Leadership of Pakistan Workers Federation, Karachi Region	Informal brainstorming session with participants of Para Legal Workshop attended by plant leaders

Institution/affiliation	Name and designation
<b>Peshawar</b>	
27. TVET Authority	Shakil Ahmed, former Director General
28. Khyber Pakhtunkhwa Chamber of Commerce and Industry	Zahid Ullah Shinwari, President and Mohammad Shafiq, Senior Vice President
29. Skills Development Council	Haji Muhammad Javed, Chairman

#### ADDITIONAL MEETINGS DURING FEBRUARY–MARCH 2016

<b>Islamabad</b>	
30. Policy Planning Unit, Ministry of Overseas Pakistanis and Human Resource Development	i: Fayyaz Ahmed Malik, Chief (on phone) ii: Tanweer Khaliq, Dy. Chief
31. National Training Bureau	Tariq Mahmood, Director Training
<b>Karachi</b>	
32. Employers Federation of Pakistan	Fsiul Karim Siddiqui, Secretary General
33. Benazir Bhutto Saheed Human Resource Development Board	i: Air Marshal (R) Riaz Uddin Shaikh, Chairman ii: Nasim ul Ghani Sahito, Provincial Coordinator
34. Hunar Foundation	Syed Javed Hassan, Chief Executive Officer
35. Memon Industrial and Technical Institute	i: H.M. Shazad, Chairman ii: Shahab Hassan, Chief Operating Officer iii: Monis Ali, Project Manager
36. Skills Development Council/Workers Employers Bilateral Council of Pakistan	i: Ahsanullah Khan, Chairman ii: Members: Anwar H. Haidri, U.R. Usmani, Shouket Ali
37. Sindh TVET Authority	i: S.M. Kaleem Makki, Managing Director ii: Syed Nazar Ali, Director Operations iii: Masroor Sheikh, Director Academic and Training
<b>Lahore</b>	
38. Punjab TVET Authority	Azhar Iqbal Shad, General Manager, Academics
39. Punjab Vocational Training Council	Sajid Naseer Khan, Managing Director
40. Punjab Skills Development Fund	i: Ali Akbar Bosan, Chief Operating Officer ii: Azka Munir, Manager Human Resources (and Placement)
41. Skills International Pvt. Ltd	Asad Ai Warraich, Country Manager



# FROM PAKISTAN TO THE GULF REGION: AN ANALYSIS OF LINKS BETWEEN LABOUR MARKETS, SKILLS AND THE MIGRATION CYCLE

Despite the substantial benefits generated by the migration flow between Pakistan-GCC migration flow, many challenges remain to ensure a fairer distribution of the profits. Much has been written on the abuses of migrant workers throughout the migration cycle, but less is known about labour demand, its relationship to skills and the impact of the recruitment process on these aspects.

Lack of information regarding qualifications, skills, wages and how demand will evolve inhibits informed decision-making by public and private institutions as well as by migrant workers. This results in lost opportunities or mistakes with training investment in both source and recipient countries. Additionally, there is no system of mutual recognition of educational attainment and acquired skills based on comparable standards for low-skilled or semi-skilled occupations.

This report addresses some of these issues, with a special focus on the role of skills in Pakistan, including skills training, certification, skills matching and recruitment practices.

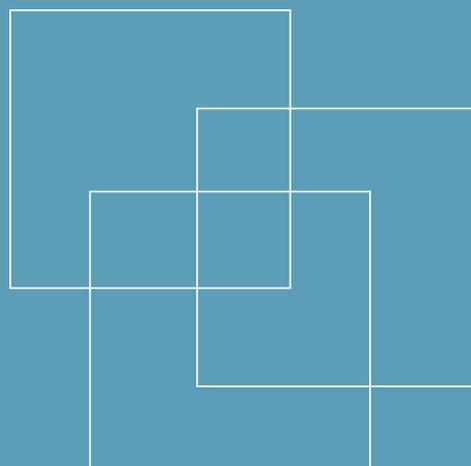
The report is a complement to Labour Market Trends Analysis and Labour Migration from South Asia to Gulf Cooperation Council Countries, Malaysia and India published in June 2015 by the GIZ and the ILO.

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