



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

Unemployment & Youth Joblessness in Pakistan



PRESS RELEASE

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Rising Unemployment and Youth Joblessness in Pakistan: Structural Challenges and Gender Disparities in the Labor Market

Islamabad, February 13th, 2026

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

What is the Big Data Analysis Series by Gallup?

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

What data points this current edition covers:

This edition draws on the following core datasets from the Pakistan Labor Force Survey 2024–25, comparing them with findings from the 2020–21 round: unemployment rates (national, gender-disaggregated, age-disaggregated), youth labor market indicators (ages 15–24), urban–rural unemployment differentials, underemployment trends, and provincial and demographic profiles of the unemployed.

Together, these datasets provide a comprehensive understanding of Pakistan’s unemployment dynamics, with a special focus on youth and women—groups most affected by slow labor market recovery and structural barriers.

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Unemployment Indicators Continue to Rise Nationally:

Pakistan's unemployment rate increased from **6.3%** to **6.9%** between 2020–21 and 2024–25.

Male

2020-21 **5.5%**

2024-25 **8.9%**

Female

2020-21 **5.9%**

2024-25 **9.7%**

Youth Unemployment:

Youth unemployment (15–24 years) stands at **12.5%**, with young women exceeding **13%**, signaling structural barriers to entry.



Urban–Rural Inequalities in Joblessness

Urban unemployment remains substantially higher (**8.0%**) than rural (**6.3%**), with urban women facing as much as 17–18% unemployment.



Long-Term Trends:

Trends since 2015 suggest job creation has slowed relative to population and labor force growth, intensifying youth competition for fewer quality jobs.



Underemployment:

Underemployment is low at **1.6%**, but higher among women, reflecting limited access to adequate working hours.



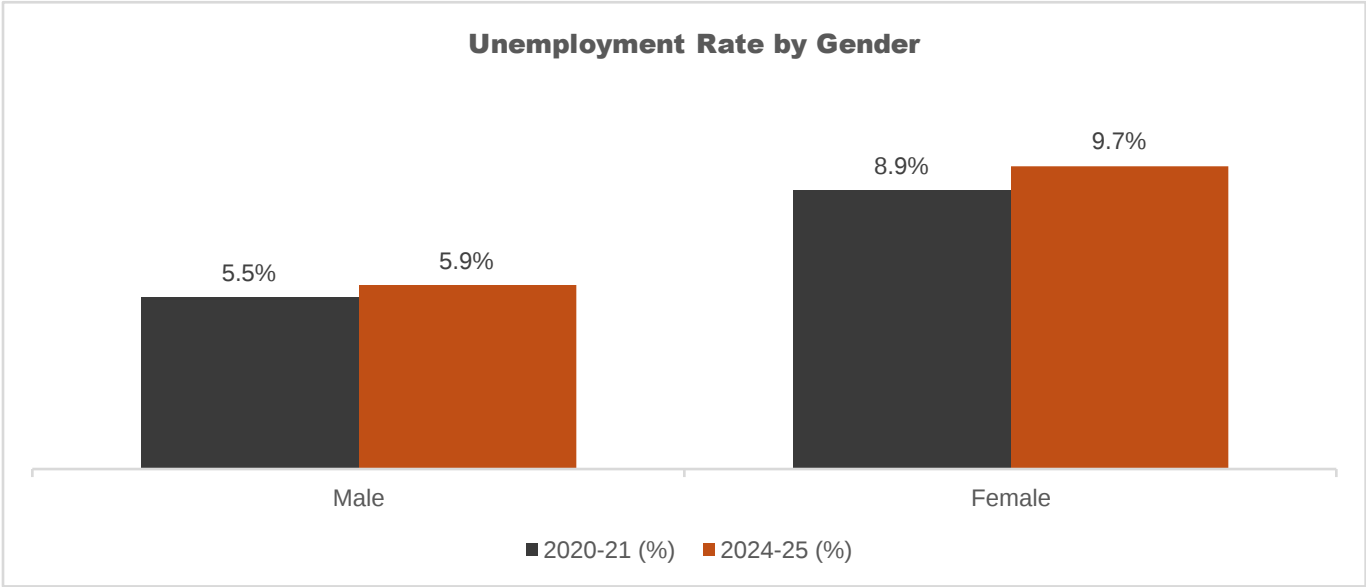
Key Findings:

1. Pakistan's unemployment rate increased from 6.3% to 6.9% between 2020–21 and 2024–25, with women and youth experiencing the highest levels of joblessness.
2. Female unemployment rose to 9.7%, almost four percentage points higher than men.
3. Youth unemployment (15–24 years) stands at 12.5%, with young women exceeding 13%, signaling structural barriers to entry.
4. Urban unemployment remains substantially higher (8.0%) than rural (6.3%), with urban women facing as much as 17–18% unemployment.
5. Underemployment is low at 1.6%, but higher among women, reflecting limited access to adequate working hours.
6. Trends since 2015 suggest job creation has slowed relative to population and labor force growth, intensifying youth competition for fewer quality jobs.

1. Unemployment Indicators Continue to Rise Nationally

Pakistan’s unemployment rate increased from 6.3% in 2020–21 to 6.9% in 2024–25, marking a gradual but persistent rise over the past several years. Both men and women experienced increases, though the impact on women is far more pronounced. Male unemployment rose modestly from 5.5% to 5.9%, but female unemployment climbed from 8.9% to 9.7%, widening an already large gender disparity in access to paid employment.

This upward trend in unemployment appears despite growth in the labor force and reflects Pakistan’s structural economic challenges—slower industrial expansion, limited diversification of service-sector jobs, and barriers to private sector growth. The labor force has expanded by more than 13 million people since 2020–21, but employment creation has not kept pace, resulting in heightened competition—especially in urban centers and among new entrants.

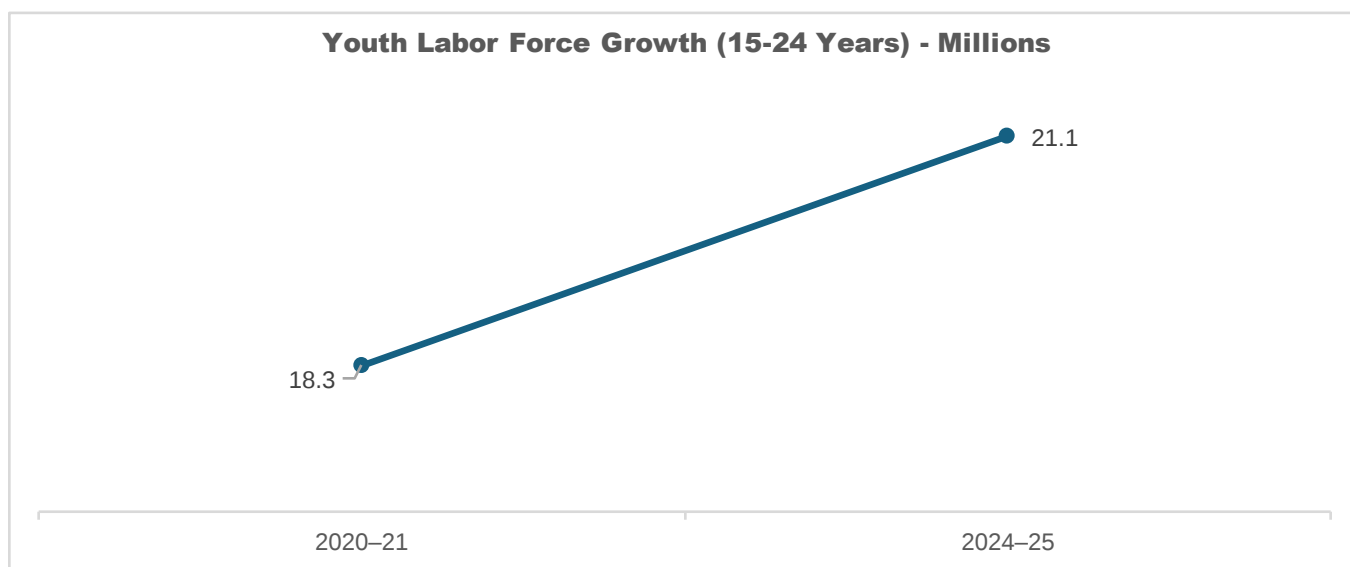


Source: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.

2. Youth Unemployment: A Persistent Crisis

Among young people aged 15–24 years, unemployment remains significantly higher than the national average, reaching 12.5% under the 13th ICLS definition. Youth joblessness is even more acute for women, who experience rates exceeding 13%, pointing to entrenched social constraints, limited market access, and fewer entry-level opportunities.

The youth labor force has expanded from 18.3 million to 21.1 million, yet employment has not kept pace—an indicator of weak school-to-work transitions and the absence of large-scale job ecosystems capable of absorbing Pakistan’s growing youth population. This stagnation in youth employment poses long-term risks: economic dependency, vulnerability to informal work, and erosion of human capital.



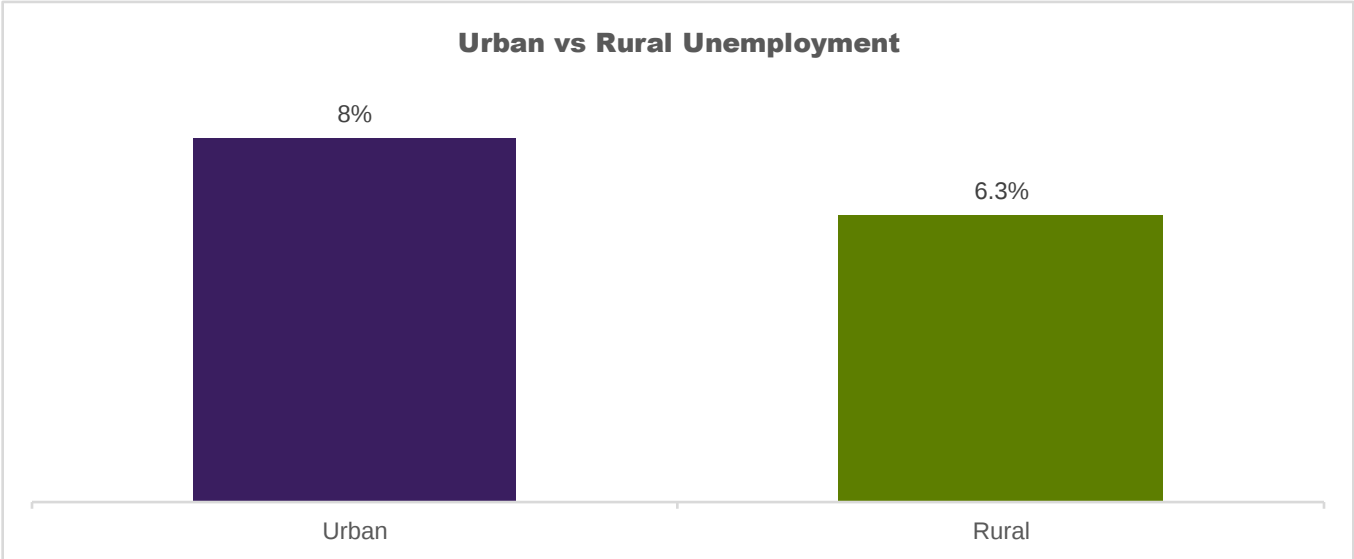
Source: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.

3. Urban–Rural Inequalities in Joblessness

Unemployment patterns vary sharply by locality. Urban unemployment stands at 8.0%, significantly higher than rural areas at 6.3%. This reflects the paradox of urban labor markets—they attract job seekers but do not generate enough employment to absorb the inflow.

Women in urban areas face the most severe challenges: unemployment rates range between 17–18%, highlighting the limited availability of suitable, culturally acceptable, and secure jobs. In contrast, rural women—though active in unpaid or informal agricultural roles—register lower formal unemployment rates but remain underrepresented in paid work.

Urban unemployment also reflects structural shifts, including contraction in manufacturing and low dynamism in high-productivity service industries.

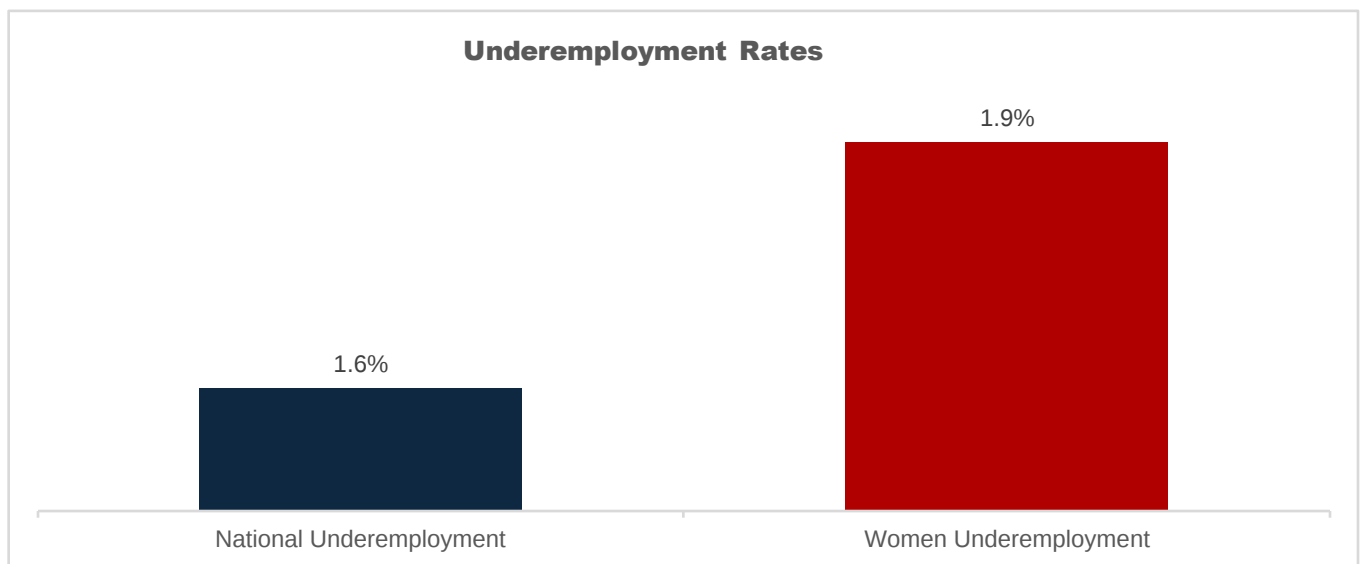


Source: Pakistan Bureau of Statistics (PBS), Labor Force Survey 2024–25.

4. Underemployment: Low Overall, Higher for Women

Underemployment, measured as insufficient hours worked, is relatively low at the national level (1.6%). However, gender differences persist: women experience underemployment at 1.9%, slightly higher than men.

The low overall figure may obscure a deeper challenge—many workers, particularly women, are concentrated in unpaid family labor, home-based work, and low-wage informal employment. These forms of work meet the technical definition of “employment” but do not provide adequate earnings or productivity gains, suggesting that quantity of work masks quality deficits.



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

5. Long-Term Trends: Slow Job Creation and Structural Mismatch

Trends indicate a slow but steady rise in unemployment since 2015, driven by weak economic growth, declining industrial capacity, and a mismatch between the skills produced by the education system and the demands of the labor market.

Youth—who make up a large share of new entrants—continue to face structural disadvantages: limited apprenticeship opportunities, weak technical-vocational ecosystems, and a labor market skewed toward informal and low-technology sectors.

For women, employment barriers remain deeply rooted in mobility restrictions, safety concerns, and occupational segregation that limits their absorption into expanding sectors.

About the Labor Force Survey (LFS) 2024–25

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

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

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

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

Editor’s Note

This edition underscores a critical tension in Pakistan’s labor market: while more people are entering the workforce, opportunities are not expanding at the same pace. Rising unemployment — particularly among youth and women — reflects deeper structural constraints, including slow industrial growth, limited formal job creation, and persistent gender barriers. Urban centers, often seen as engines of opportunity, are facing mounting pressure from new entrants competing for a narrow set of roles.

The data remind us that unemployment is not merely a statistical indicator, but a measure of untapped potential. Addressing youth joblessness and women’s exclusion will require sustained investment in skills, industry, and inclusive labor policies. Without structural reforms that align education, economic strategy, and job creation, Pakistan risks carrying a growing workforce without the pathways needed to translate participation into prosperity.

— **Aisha Aamir**

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Wish to Contribute to Gallup Big Data Analysis?

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

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