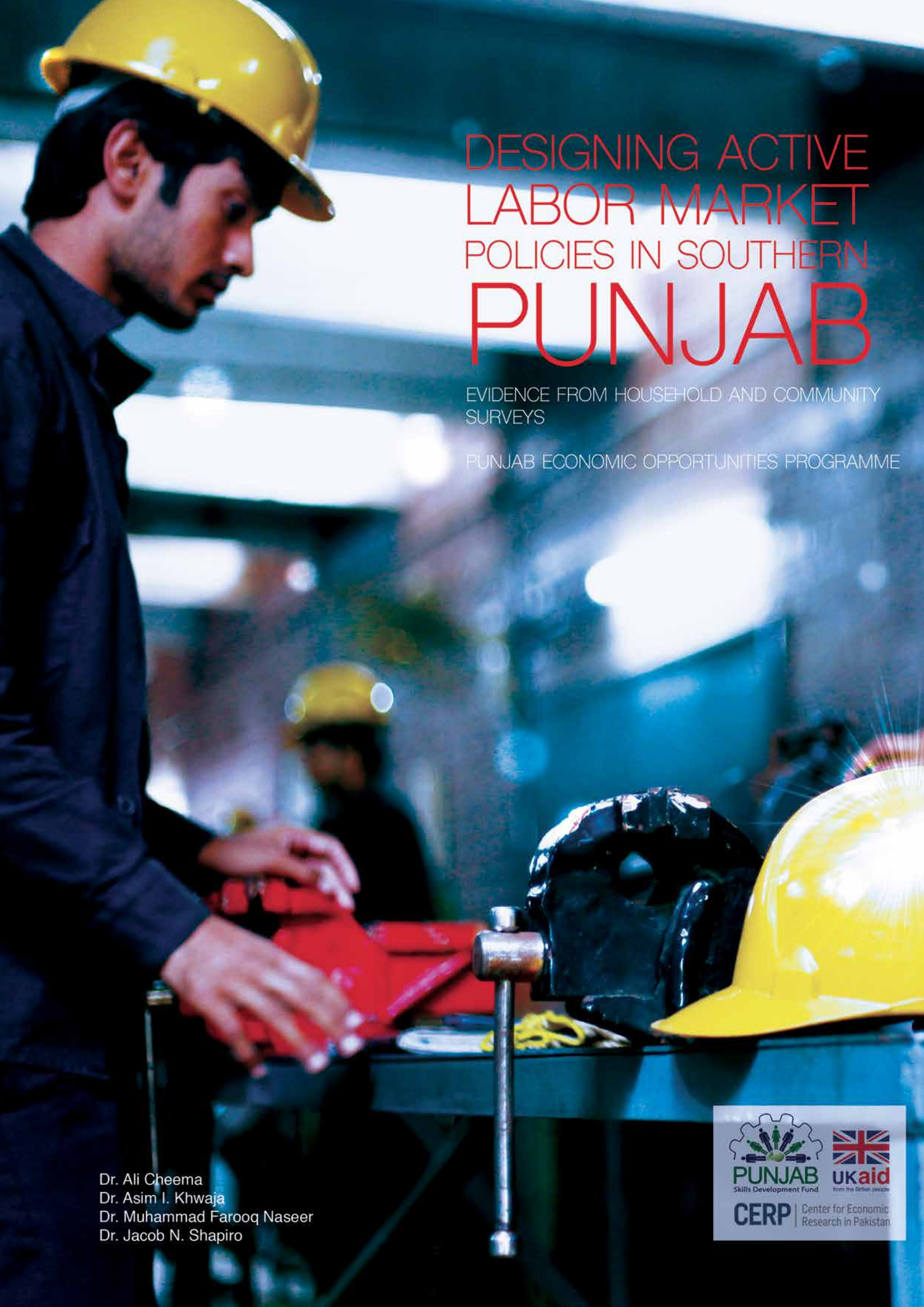


DESIGNING ACTIVE LABOR MARKET POLICIES IN SOUTHERN PUNJAB

EVIDENCE FROM HOUSEHOLD AND COMMUNITY SURVEYS

PUNJAB ECONOMIC OPPORTUNITIES PROGRAMME

Dr. Ali Cheema
Dr. Asim I. Khwaja
Dr. Muhammad Farooq Naseer
Dr. Jacob N. Shapiro

PUNJAB Skills Development Fund
UKaid from the British people
CERP | Center for Economic Research in Pakistan

ABOUT THE AUTHORS

Dr. Ali Cheema is a Senior Research Fellow at IDEAS. He is also an Associate Professor of Economics and a former head of department (2004-2007) at Lahore University of Management Sciences (LUMS), Lahore, Pakistan. Dr. Cheema has extensive experience in research and policy work in the field of economics. He co-convened the Initiative of Policy Dialogue (IPD), Columbia University, Taskforce on Decentralization and was one of the founding members of the Stockholm Challenge Award winning portal, Relief Information System for Earthquakes, Pakistan (RISEPAK). He has recently worked as a consultant to the Asian Development Bank, DfID and the World Bank and has served on high-level provincial and federal government taskforces and committees. He is also one of the founding members and current research fellows at the Center of Economic Research in Pakistan (CERP). Dr. Cheema holds a BA (Honors) degree in Philosophy, Politics and Economics from Oxford, and a BA in Mathematics and Statistics from Government College, Lahore. He received his MPhil in Economics and Politics of Development, and a Doctorate in Economics from the University of Cambridge.

Dr. Asim I. Khwaja is the Sumitomo-Foundation for Advanced Studies on International Development Professor of International Finance and Development at the Harvard Kennedy School of Government and co-Director of the Evidence for Policy Design (EPoD) research program at Harvard. He serves on the board of directors of the Poverty Action Lab (MIT), one of the leading policy evaluation organizations worldwide. His areas of interest include economic development, finance, education, political economy, institutions, and contract theory/mechanism design, focusing on Pakistan. His research combines extensive field work, rigorous empirical analysis and micro-economic theory to answer questions that are motivated by and engage with policy. Khwaja's research has been published in numerous peer-reviewed economics journals, including the *American Economic Review*, the *Journal of Development Economics* and the *Quarterly Journal of Economics*. Khwaja received BS degrees in economics and in mathematics with computer science from MIT and a PhD in economics from Harvard.

Dr. Farooq Naseer is Assistant Professor Economics at the Lahore University of Management Sciences (LUMS), Pakistan and a Research Fellow at IDEAS and CERP. He has previously worked on the impact evaluation of a pilot programme introducing child-friendly teaching methods in public sector schools. Over the past two years, he has worked on the issues of social stratification, poverty and inter-generational mobility using empirical data from detailed household surveys conducted in Sargodha district. The findings from this work have been used to inform various public policy debates and will be formally submitted as a report to the Planning and Development Department, Government of Punjab. He is a member of the LUMS Development Policy Research Center's (DPRC) Steering Committee. Naseer holds a BS in economics from LUMS and an MS and PhD in economics from Yale University.

Dr. Jacob N. Shapiro is Assistant Professor of Politics and Public Affairs at Princeton University and co-Director of the Empirical Studies of Conflict Project, a multi-university research effort between Princeton, Stanford, and UC San Diego. He brings three areas of expertise to the project.

The first is his work on the political economy of government service provision. The second is his work on relationships between labour market outcomes and political behavior in a range of countries, work that has included two large nationally-representative surveys in Pakistan (n=6,000 and n=13,000). The third is his experience employing innovative survey methods for eliciting sensitive attitudes and information while minimizing a range of response biases. His research has been published in numerous peer-reviewed economics and political science journals including *Journal of Political Economy, American Journal of Political Science, International Security, International Studies Quarterly, Journal of Conflict Resolution, Political Analysis,* and *World Politics* among others. He is a term member of the Council on Foreign Relations, an Associate Editor of *World Politics*, and served in the U.S. Navy and Naval Reserve. Shapiro received a BA degree in political science from the University of Michigan and a PhD in political science and MA in economics from Stanford University.

The authors of this report would like to thank Arqam A. Lodhi and Sameem I. Siddiqui for leading the PEOP research team along with Sahaab B. Sheikh, Gabriel Tourek, Anam Shoaib, and Minahil Niazi who provided critical research assistance at various stages of the project. They would also like to acknowledge support of project partners PSDF and DfID.

ACKNOWLEDGEMENTS

EXECUTIVE SUMMARY

The Punjab Economic Opportunities Program (PEOP) is a flagship program of the Government of Punjab being implemented in partnership with the Department for International Development, Government of UK (DfID). PEOP aims to alleviate poverty and create inclusive growth in the province's high-poverty districts – Bahawalnagar, Bahawalpur, Lodhran and Muzaffargarh – by increasing the employability and earnings of poor and vulnerable families.

This report summarizes the design-relevant findings using a random district-representative sample of 10,946 households in 709 Primary Sampling Units (PSUs) surveyed (out of a total 809 PSUs to be surveyed as part of the Baseline Household Survey Activity) in the Program Districts. The report provides results in six main areas that have important implications for program design:

1. demographics of the region
2. current state of the labor market
3. existing usage of training
4. demand for skills
5. obstacles to skills acquisition and skills training
6. labor market opportunities

The contribution of the report is ultimately in prioritizing between a set of possible interventions (i.e., arguing there is more support for some versus others) and in providing analysis that informs design-specific program features.

Demographics

The baseline survey collected basic demographic information on all sample households that are important to understand the population the program has to cater to. The results are consistent with the broad patterns we expect in the Program Districts and provide a more detailed overview of the skills situation:

- The program districts *have a very young population* and the levels of spending per capita are low for people in the bottom two quartiles of consumption distribution.
- *Educational attainment in the region is low*. Forty-four percent of respondents in the lowest consumption quartile have never been to school and only 29% report having completed primary school. Furthermore, the education deficit is much more acute among women.
- Existing *job-specific skills are heavily skewed in favor of specific sectors* for rural males and for females. Over half of rural male respondents reporting a job-specific skill say that they are skilled in agriculture and livestock and nearly three-fourths of skilled female respondents report that their skills are in garments and related trade works.
- There is a *massive deficit in core skills*: numeracy, literacy, and the like. The proportion of population reporting lack of core skills is very high and the problem is *particularly acute for females and among individuals belonging to the bottom consumption quartiles*.

The low educational attainment in this region means that PSDF should carefully consider the content and pedagogy of the training it supports when serving the women and the poor. *Training that requires at least primary levels of education as a pre-requisite will exclude roughly 50% of poor males and 80% of poor females*, exactly the population that PSDF is looking to serve. Training the target population of poor and vulnerable effectively would also require PSDF to support a menu of courses that can be accessed by the less educated.

Current State of the Labor Market

Understanding the labor markets is important for the design of effective and grounded interventions. We find that:

- The level of unemployment is low among men but approximately two-thirds of women report being unemployed, suggesting a *need for interventions that can target unemployed women*.
- Two-thirds of the male population is working with approximately half of this population looking for other options, suggesting a *need for interventions targeting men already in the workforce*.
- Nearly half of the unemployed women (35% of women), report being unemployed and looking for work, that is, *women remain active participants in the labor market even when unemployed*.
- Large proportions of our sample households remain *focused on the local labor market and are poorly integrated* in the regional, national and international markets.
- *Job placement is hugely determined by personalized social networks*, which appear to be exclusionary in nature.

Patterns of current employment and job placement in the region mean that PSDF *interventions cannot be designed on the assumption that there is a large appetite for national and international migration* in the target population. Moreover, the fact that a large number of respondents believe that access to better networks would enhance their job prospects implies that there are *likely to be substantial gains from broadening job search and providing better matching between potential employees and employment opportunities*.

Training

The results suggest that the following findings regarding the market for training are important for program design:

- Public and private formal training providers serve an extremely small percentage of those currently acquiring skills. *Skills are mostly inherited* (i.e. taught by family members) *or acquired through informal providers or self-learning*.
- The *low penetration of formal public and private sector training does not appear to be a consequence of low demand*. A much *greater proportion of those using public and private formal training providers rate them as useful or very useful* compared to those inheriting skills or acquiring them through informal providers.
- The education qualifications required by formal training providers are *acting as a barrier to entry by excluding a majority of potential male and female trainees*. This suggests that the structure of supply is not adequately catering to demand with the mismatch being more acute for poor households and women.
- Providers of training *are not offering any training in core skills* even though they are highly correlated with income.
- There is limited capacity in the existing pool of training providers to supply skills relevant for agriculture and livestock that are in high demand in the program districts.
- Training providers have a preference for locating training centers in urban areas that creates access problem for people from rural areas and small towns.

There is thus *substantial scope for expanding training*. The evidence shows that current base of training provision is extremely narrow at present and there is substantial demand for acquisition of skills through non-traditional and formal providers. We find that the existing formal suppliers of training typically impose (minimum educational) requirements that exclude a majority of the population in the program districts, especially amongst our target population of the poor and women. We also find that training providers are under-serving the rural population by preferring to locate in urban areas and under-supplying skills training in the agriculture and livestock sectors. *PEOP can thus play a long-term role as a market maker by reducing what looks like a supply-side failure in the market for skills and inducing providers to: broaden the menu of skills to match household demand; reduce the costs of accessing training; and also cater to the skill acquisition demands of the less educated.*

Demand for Skills

A novel feature of the baseline survey is that it asks households to identify their top choices (first and second) for both male and female members to receive vocational skills training (these nominated individuals are referred as the 'infra-marginals' below). This allows us to elicit demand for training, build a database of actual individuals who could be offered training, and highlight the profile of individuals that the households would like to have trained. The main findings are:

- The *willingness to nominate household members for skills training is high* even amongst the poor and women. Over 92% of households nominated at least one male and female member for PSDF-supported training. Approximately half of the households in fact nominate two men and two women. However, households are willing to send approximately two-thirds of the members they nominate for PSDF training during the next one-year because of constraints related to forgone income of nominated members; costs of physically accessing training; and the difficulty of freeing members from domestic obligations for extended periods. Therefore, realizing the expressed demand will require carefully analyzing and addressing household-level constraints that are likely to inhibit household members from accessing training.
- Households are not basing their nomination decisions on educational attainment and *appear to be placing a high weight on earnings potential*, particularly when nominating men. Two-thirds of households nominated males because of their earnings potential *and more than two-thirds of males nominees are currently working*. In contrast, more than *one-third of the female nominees are drawn from the pool of unemployed who are looking for work*. While half the respondents also cited earnings potential as the main reason for nominating a female household member, need and currently being unemployed also factored as important reasons.
- Those selected for training *expect substantial gains to their income from acquiring core skills* suggesting that a demand for core skills exists in the population, which is currently not being supplied by the market for training. Moreover, it does not seem to be the case that the low-level of skill acquisition arises due to a lack of demand or poor perception of returns to skills. In fact, the expected return to core skills matches reality very well.
- There are potentially tremendous non-economic returns associated with the acquisition of core skills. We find that infra-marginals' core skills level is highly correlated with their degree of political engagement and their political rights and health status.

These findings imply that *training programs for men will need to be designed to cater to those already working while for women they will have to focus on those who are currently unemployed*. In the case of males this implies the need to support programs built around existing employment (self and paid employment). Both male and female infra-marginals perceive substantial gains from acquiring core skills, which reinforces the case for including modules on core skills as part of the overall job-specific training. Moreover, the case for core skills training becomes stronger when we take into account the non-economic returns associated with these interventions.

Opportunities in the Markets for Skill and Labor

The baseline survey identified several patterns in the existing markets for skills and labor that suggest substantial opportunities for PEOP to make a difference:

- There is a *large gap between the perceived need for core skills (numeracy, literacy, etc.) to perform low-level jobs and the current level of these skills* possessed by the infra-marginal respondents, especially women and those from the poorest and most vulnerable households.
- *Adequate financial incentives (vouchers or stipends) are likely needed, especially in the case of males, to help ensure that potential trainees from the target population of poor and vulnerable are willing to enroll*. Households clearly view forgone wages as the opportunity cost for training. Households report lack of money as the main obstacle to acquire skills and a third of the respondents report financial assistance as the best form of support to help them acquire training. Moreover, households' decision to send infra-marginals for training is very sensitive to the stipend amount that is offered. A stipend of Rs. 1,500 per month only attracts between 11-18% of the infra-marginal population, but doubling this amount increases the pool of potential trainees to over 85%.
- *Designing interventions that mitigate location-related constraints to accessing training are important to enable potential trainees, especially women, from the target population to realize their demand for skills training*. Households indicate that transport costs and the inability to release nominated member from domestic obligations for extended periods are significant obstacles to accessing training. Bringing training closer to the household can help alleviate these obstacles as it will reduce both the costs of physical access and the time spent by household members away from home.
- The vast majority of low-skilled and medium-skilled jobs in the PEOP region are currently being found through personal networks. *Better connections are cited as the most important sources of support for finding low-skill jobs* by over 45% of our male respondents. Moreover, substantial numbers of men and women (roughly 30%) identify softer interventions as being useful, including: encouraging families to support training and providing personal guidance and mentoring. This suggests the *potential for complementing skills training with non-traditional/mentoring and social mobilization interventions*, which can help individuals navigate the market for acquiring skills, may have substantial scope for enhancing labor market performance in the PEOP region.

Overall Implications

On the whole, these findings suggest that the following interventions could have immediate impact:

1. Direct training with complementary interventions to increase uptake in the target population: Programs providing direct training opportunities likely require separate designs for men and women given that male nominees are more likely to be currently employed while female nominees are mostly unemployed. In the case of males it is worthwhile experimenting with on-the-job and employment-based training in addition to the provision of direct training. There is also a need to create separate skills menus for rural and urban areas. *Moreover, given the low willingness to migrate for work,* particularly among women, these trainings will likely have to provide opportunity for local employment/self-employment either by catering to the local market and/or producing locally for regional and international markets. The following complementary interventions are needed in order to ensure that the target population is participating enough to benefit from PSDF-supported training:
    a. Adequate financial incentives in the form of stipends to make up the opportunity cost of attending training.
    b. Easing the distance constraint by offering locality-based training (which reduces the distance between the training provider and the trainees) and by broadening the geographic access to skills training facilities.
    c. Skills mentoring and social mobilization that helps households and nominated trainees navigate the skills market and helps build community support mechanisms for households releasing members for training.
2. Job search and placement support: Given the importance of personal networks on seeking employment opportunities, and the desire of households to receive support in enhancing their job networks, there is a need to design interventions that provide the target population access to such professional networks. This can be achieved by connecting those looking for work to larger employment networks, either through formal placement centers or by supporting informal networks and labor market facilitators/intermediaries.
3. Catalyzing training supply that can effectively meet demand: There is a need to seed interventions that create access to skills training among women and the poor and vulnerable with low educational attainment. This can be done by supporting training in specific trades where demand already exists and the educational requirement is not stringent and by integrating core skills in the standard vocation training programs. More sustainably, PSDF could catalyze the supply of training in this critical area by encouraging providers to develop content and pedagogy that makes skills training accessible to this population.

In addition to providing support both for the above classes of interventions and specifics on how best to design them, the report also examined a range of other interventions that were initially proposed as potentially important given the experience in other environments. However, based on the initial evidence from the survey, there is currently limited support for interventions that are based solely on either solving individuals' credit constraints or providing them information about the returns to skills, although they may form components of the above-mentioned interventions.

CONTENTS

1 INTRODUCTION 1
1.1 Background on PEOP 2
1.2 Report 2

2 METHODS 3
2.1 Sample Details 4

3 DEMOGRAPHICS 5
3.1 Age 7
3.2 Education 9
3.3 Economic Well-Being, Poverty And Vulnerability 11
3.4 Economic Well-Being And Educational Attainment 12
3.5 Job-Specific Skills 15
3.6 Core Skills 18

4 CURRENT STATE OF THE LABOR MARKET 21
4.1 Employment And Labor Status 22
4.2 Migration, Location Of Work And Job Search 24
4.2.1 Migration and Location of Work 24
4.2.2 Job Search 24
4.3 Skills And Employment 28
4.3.1 Earnings 28

5 TRAINING 31
5.1 Who Is Providing Training 32
5.2 Usefulness Of Training 35
5.3 Supply-Demand Mismatches 35
5.3.1 Core Skills 35
5.3.2 Location 37
5.3.3 Job-Specific Skills 37

6 DEMAND FOR SKILLS 39
6.1 Who Are They? 40
6.2 Why Are They Selected? 43
6.3 What Do They Want To Learn? 44
6.4 Expected Returns From Skills 45
6.5 Non-Economic Returns 47

7 SPECIFIC DESIGN RELEVANT QUESTIONS 49
7.1 Gap In Core Skills 50
7.2 Perceived Obstacles To Skills 52
7.3 Obstacles To Jobs 54
7.4 Getting People To Attend Training 57

8
58 Appendix A: Survey Status Report
59 Appendix B: Classification and Description of Occupation Groups
60 Appendix C: Classification of Skills Groups
61 Appendix D: Miscellaneous Tables
63 Appendix E: Core Skill Definitions

TABLE 2.1.1 NUMBER OF PSUS IN EACH DISTRICT BY RURAL/URBAN	04
TABLE 2.1.2 NUMBER OF HOUSEHOLDS IN EACH DISTRICT BY RURAL/URBAN	04
TABLE 3.3.1 MEAN HOUSEHOLD EXPENDITURE PER CAPITA BY CONSUMPTION QUARTILES	12
TABLE 3.4.1 EDUCATION BY CONSUMPTION QUARTILES	12
TABLE 3.4.2 EDUCATION BY CONSUMPTION QUARTILES (FEMALES ONLY)	12
TABLE 3.5.1 JOB-SPECIFIC SKILLS BY RURAL/URBAN AREAS (MALE GENERAL POPULATION)	15
TABLE 3.5.2 JOB-SPECIFIC SKILLS BY RURAL/URBAN AREAS (FEMALE GENERAL POPULATION)	16
TABLE 3.5.3 JOB-SPECIFIC SKILLS BY RURAL/URBAN AREAS (MALE TARGET POPULATION)	17
TABLE 3.5.4 JOB-SPECIFIC SKILLS BY RURAL/URBAN AREAS (FEMALE TARGET POPULATION)	18
TABLE 3.6.1 FAMILY AND INDIVIDUAL ASSESSMENT OF CORE SKILLS BY GENDER	19
TABLE 3.6.2 FAMILY AND INDIVIDUAL ASSESSMENT OF CORE SKILLS BY CONSUMPTION QUARTILES	19
TABLE 3.6.3 FAMILY AND INDIVIDUAL ASSESSMENT OF CORE SKILLS BY EDUCATION LEVEL	20
TABLE 4.1.1 EMPLOYMENT STATUS BY GENDER	22
TABLE 4.1.2 EMPLOYMENT STATUS BY POOR/NON-POOR	23
TABLE 4.1.3 EMPLOYMENT STATUS BY RURAL/URBAN AND GENDER (GENERAL POPULATION: AGE> 16)	23
TABLE 4.1.4 LABOR STATUS BY GENDER (GENERAL POPULATION: AGE> 16)	23
TABLE 4.1.5 LABOR STATUS BY POOR/NON-POOR (GENERAL POPULATION: AGE> 16)	23
TABLE 4.1.6 LABOR STATUS BY RURAL/URBAN AND GENDER (GENERAL POPULATION: AGE> 16)	24
TABLE 4.2.1 LOCATION OF WORK BY GENDER	24
TABLE 4.2.2 PREFERRED OUT-OF-VILLAGE LOCATION FOR JOB BY GENDER	24
TABLE 4.2.3 HOW JOB WAS FOUND BY LABOR STATUS	26
TABLE 4.2.4 JOB SEARCH METHOD BY EMPLOYER LOCATION	26
TABLE 4.2.5 JOB SEARCH METHOD BY EMPLOYER LOCATION (URBAN ONLY)	29
TABLE 4.3.1 MONTHLY EARNINGS BY EMPLOYMENT TYPE AND GENDER	30
TABLE 5.1.1 HOW SKILLS WERE ACQUIRED BY SKILL TYPE BY OCCUPATIONAL GROUPS	34
TABLE 5.2.1 WHERE SKILLS WERE ACQUIRED BY SKILLS USEFULNESS	35
TABLE 5.3.1 SUPPLY AND DEMAND OF TRAINING COURSES	37
TABLE 6.1.1 PERCENTAGES OF HOUSEHOLDS THAT NOMINATED 1 OR 2 INFRA-MARGINAL MEMBERS	41
TABLE 6.1.2 PERCENTAGE OF TARGET POPULATION WILLING TO SEND HOUSEHOLD MEMBERS FOR TRAINING	41
TABLE 6.1.3 EMPLOYMENT STATUS AND WILLINGNESS TO SEND INFRA-MARGINALS FOR TRAINING	41
TABLE 6.1.4 INFRA-MARGINAL AGE VS OVERALL AVERAGE AGE BY GENDER	41
TABLE 6.1.5 INFRA-MARGINAL YEARS OF SCHOOLING VS WHOLE ROSTER AVERAGE BY GENDER	41
TABLE 6.1.6 INFRA-MARGINAL YEARS OF SCHOOLING VS WHOLE ROSTER AVERAGE BY GENDER & AGE GROUPS	42
TABLE 6.1.7 EMPLOYMENT STATUS BY RURAL/URBAN (TOP INFRA-MARGINAL ONLY)	42
TABLE 6.1.8 EMPLOYMENT STATUS BY RURAL/URBAN (TOP AND SECOND INFRA-MARGINAL INCLUDED)	43
TABLE 6.1.9 EMPLOYMENT STATUS BY GENDER & RURAL/URBAN (WORKING AGE POPULATION: AGE>16 YEARS)	43
TABLE 6.2.1 MOST IMPORTANT REASON BY GENDER	43
TABLE 6.3.1 SKILLS WOULD LIKE TO ACQUIRE BY GENDER AND INFRA-MARGINAL STATUS	44
TABLE 6.3.2 SKILLS WOULD LIKE TO ACQUIRE BY RURAL/URBAN AND INFRA-MARGINAL STATUS	45
TABLE 6.4.1 AVERAGE EXPECTED EARNINGS BY EMPLOYMENT STATUS AND EDUCATION	46
TABLE 6.4.2 AVERAGE EXPECTED RETURNS TO SKILLS BY GENDER	47
TABLE 7.1.1 CORE SKILL REQUIREMENT FOR DIFFERENT JOBS BY JOB TYPE	51
TABLE 7.1.2 SELF-ASSESSMENT AGAINST PERCEIVED JOB SKILL REQUIREMENTS	51
TABLE 7.1.3 FAMILY ASSESSMENT AGAINST PERCEIVED JOB SKILL REQUIREMENTS FOR SHOPKEEPER	52
TABLE 7.2.1 OBSTACLES TO SKILL ACQUISITION BY CORE SKILL TYPE AND GENDER	52
TABLE 7.2.2 BEST SUPPORT FOR SKILL ACQUISITION BY CORE SKILL TYPE AND GENDER	52
TABLE 7.2.3 LOSS OF INCOME AS AN OBSTACLE FOR TRAINING BY GENDER	53
TABLE 7.2.4 LOSS OF INCOME AS AN OBSTACLE FOR TRAINING BY EMPLOYMENT STATUS	53
TABLE 7.2.5 TRANSPORT COST AS AN OBSTACLE FOR TRAINING	53
TABLE 7.2.6 INABILITY TO ATTEND DOMESTIC WORK AS AN OBSTACLE TO TRAINING (% MALE RESPONDENTS)	54
TABLE 7.2.7 INABILITY TO ATTEND DOMESTIC WORK AS AN OBSTACLE TO TRAINING (% FEMALE RESPONDENTS)	54
TABLE 7.4.1 WILLINGNESS TO SEND SELECTED INDIVIDUAL FOR TRAINING BY STIPEND AMOUNT (MALE)	57
TABLE 7.4.2 WILLINGNESS TO SEND SELECTED INDIVIDUAL FOR TRAINING BY STIPEND AMOUNT (FEMALE)	57
TABLE B.1 CLASSIFICATION OF OCCUPATION GROUPS	59
TABLE C. 1 CLASSIFICATION OF SKILLS GROUPS USED IN REPORT	60
TABLE D. 1 INFRA-MARGINAL VS WHOLE ROSTER EMPLOYMENT	61
TABLE D. 2 WILLINGNESS TO WORK	61
TABLE D. 3 SKILLS WOULD LIKE TO ACQUIRE BY POOR/VULNERABLE AND GENDER (INFRA-MARGINALS)	62
TABLE D. 4 SKILLS WOULD LIKE TO ACQUIRE BY POOR/VULNERABLE AND BY RURAL/URBAN (INFRA-MARGINALS)	62
TABLE E.1 CORE SKILL DEFINITIONS	63

LIST OF TABLES

LIST OF FIGURES

FIGURE 3.1.1 AGE DISTRIBUTION OF POPULATION 07

FIGURE 3.1.2 AGE DISTRIBUTION OF URBAN POPULATION 08

FIGURE 3.1.3 AGE DISTRIBUTION OF INFRA-MARGINALS IN POPULATION 08

FIGURE 3.2.1 EDUCATION ATTAINMENT BY RURAL-URBAN 09

FIGURE 3.2.2 EDUCATIONAL ATTAINMENT BY GENDER IN URBAN AREAS 10

FIGURE 3.2.3 EDUCATIONAL ATTAINMENT BY GENDER IN RURAL AREAS 10

FIGURE 3.3.1 POOR AND VULNERABLE POPULATION 11

FIGURE 3.4.1 PERCENTAGE OF POOR BELOW EDUCATION THRESHOLD 13

FIGURE 3.4.2 PERCENTAGE OF VULNERABLE BELOW EDUCATION THRESHOLD 13

FIGURE 3.4.3 PERCENTAGE OF POOR AND VULNERABLE BELOW EDUCATION THRESHOLDS (URBAN) 14

FIGURE 4.2.1 MIGRATION: DESTINATION FOR WORK (WITHIN) 25

FIGURE 4.2.2 MIGRATION: DESTINATION FOR WORK (ABROAD) 25

FIGURE 4.2.3 NETWORK SIZE BY CONSUMPTION QUARTILE 27

FIGURE 4.2.4 INCOME BY NETWORK SIZE 27

FIGURE 4.3.1 AVERAGE MONTHLY INCOME BY OCCUPATION AND GENDER 30

FIGURE 4.3.2 AVERAGE MONTHLY INCOME BY RURAL/URBAN 30

FIGURE 5.1.1 HOW ARE SKILLS ACQUIRED IN PEOP DISTRICTS 33

FIGURE 5.3.1 SUPPLY: PROVIDERS' MINIMUM EDUCATION REQUIREMENTS FOR TRAINEES 36

FIGURE 5.3.2 DEMAND: HOUSEHOLD TRAINEES' EDUCATION PROFILE 36

FIGURE 5.3.3 AVERAGE ANNUAL INCOME BY CORE SKILL LEVEL (EXCLUDING DAY LABORERS) 37

FIGURE 5.3.4 SUPPLY AND DEMAND OF TRAINING COURSES (MALES) 38

FIGURE 5.3.5 SUPPLY AND DEMAND OF TRAINING COURSES (FEMALES) 38

FIGURE 6.4.1 AVERAGE ANNUAL INCOME BY SKILL (EXCLUDING DAY LABORERS) 47

FIGURE 6.5.1 POLITICAL INVOLVEMENT BY SKILL 48

FIGURE 6.5.2 POLITICAL RIGHTS BY SKILL 48

FIGURE 6.5.3 HEALTH STATUS BY SKILL 48

FIGURE 7.3.1 OBSTACLES TO JOB ON HIGH-SKILL JOB BY GENDER 54

FIGURE 7.3.2 OBSTACLES TO JOB ON LOW-SKILL JOB BY GENDER 55

FIGURE 7.3.3 BEST SUPPORT TO HIGH-SKILL JOBS BY GENDER 56

FIGURE 7.3.4 BEST SUPPORT TO LOW-SKILL JOBS BY GENDER 56

FIGURE A. 1 PEOP HOUSEHOLD SURVEY STATUS MAP: 709 PSUS OF PHASE 1 & PHASE 2 58

1 INTRODUCTION

1.1 Background on PEOP

The Punjab Economic Opportunities Program (PEOP) is a flagship program of the Government of Punjab being implemented in partnership with the Department for International Development, Government of UK (DfID). The aim of the program is to create inclusive growth and alleviate poverty in the province's high poverty districts. The program is being launched in the Southern Punjab districts of Bahawalnagar, Bahawalpur, Lodhran and Muzaffargarh. PEOP's two main components include: (i) increasing employability and earnings of low income, poor and vulnerable families by augmenting their skills-base through vocational training and (ii) increasing the access and returns to livestock income for the poor.

The vocational training and skills component of PEOP is being implemented by the Punjab Skills Development Fund (PSDF), which is a not-for-profit company set up by the Government of Punjab in collaboration with DfID. PSDF has been created to increase the access of low income, poor and vulnerable members of society to vocational training and skills acquisition programs with an aim to achieve the following outcomes at the ***household level***:

- Increase income earning potential
- Increase access to employment opportunities and employability
- Increase participation of women and other marginalized groups in the labor market

In order to attain these outcomes, PSDF aims to intervene in two inter-related markets: the *market for skills*, consisting of firms and households looking to hire skilled workers and individuals (or workers) seeking gainful employment; and the *market for skills training*, consisting of training providers and the potential trainees/workers who want to acquire beneficial skills. PSDF is aware that successful program design will need to account for the distinct needs and interests of households, firms and training providers.

1.2 Report

The current report has been prepared to provide evidence-based input into program design. It reports findings from a random representative sample of 709 Primary Sampling Units (PSUs) and approximately 11,000 households from the program districts.

The report uses empirical data to provide the regional context in which interventions are going to be implemented and highlights the challenges posed for intervention design by the characteristics of households in the program districts[1]. Section 3 examines the basic demographics of the target region in terms of age, education, economic welfare and the nature of skills acquisition. Here the report describes the challenges faced by the male and female citizens and households belonging to different consumption brackets.

Section 4 discusses the current state of the labor market in the program districts highlighting indicators that are relevant for program design. It provides information on the extent of unemployment, nature of employment, the preference for migration and the earnings profile of households. In addition, this section also identifies the constraints and opportunities associated with existing job search networks. Getting a handle on the state of the local labor market is essential to the design of context-specific and effective interventions.

Section 5 provides an assessment of how skills are currently acquired in the program districts. It allows us to assess the presence of formal vocational training providers and provides an understanding of the different types of entities involved in the provision of skills to households. It also provides the households' assessment of the usefulness of the skills provided by these different entities. This analysis describes the types of challenges that exist on the supply-side of the vocational training market and points out the two main supply-demand mismatches that exist in the market for training.

Sections 6 and 7 provide specific analysis for design-relevant questions. Section 6 focuses on: (1) the demand for skills among members of our sample households; (2) the characteristics of members that households nominate for skills training and (3) their demand for specific types of skills. An assessment of the attributes that households are using to select members for training can inform the design of entry qualifications for PSDF-supported programs and provides evidence on the types of household members these interventions will need to serve. This section also provides information on the type of skills that selected members are expressing a demand for, which is important information for the design of the portfolio of skills that will need to be supported. Finally, the section provides an analysis of the households' expectation about the gains from skills acquisition. It also shows the tremendous non-economic returns associated with skills acquisition.

Section 7 provides specific analysis for four design-relevant questions: (1) What is the perceived gap between the existing level of core skills and the level that household members think is required for jobs; (2) what are the perceived obstacles to acquiring skills and accessing PSDF-supported training; (3) what are the perceived obstacles to getting jobs and (4) how much of a stipend is required to incentivize the target population to take up skills training. The first question assesses whether core skills need to be a central feature of training programs offered by PSDF. The second and third questions are important because they provide information on the type of support household members need to help them overcome the obstacles to acquiring skills, accessing training and getting jobs. Finally, the last question provides information on the amount of stipend that is needed to broaden the target population in the program districts willing to enroll male and female members in PSDF-supported training programs. The next section provides information on the survey and the sample used for this report.

[1] *DISTRICT LEVEL RESULTS OF RELEVANT TABLES ARE BEING PROVIDED TO PSDF SEPARATELY.*

2 METHODS

A large-scale Baseline Household Survey activity was initiated in the four PEOP districts in the beginning of October 2011. The overall sample for the Baseline Household Skills Survey activity consists of 809 PSUs and has been divided into two sub-samples:

- The In-Depth (ID) PSU Sample: The ID sample will be used to provide: (a) baseline indicators for the impact evaluation of community-based and high spillover PSDF interventions and future PSDF interventions; (b) sampling information for the assignment of treatment and control status to PSUs that will be a part of these evaluations; and (c) indicators for PEOP log-frame monitoring. It consists of 100 rural PSUs. The survey activity in this sample has temporarily been put on hold pending a decision to conduct an additional impact evaluation of PSDF trainees entering future schemes through open enrollment using the oversubscription methodology. The inclusion of an additional evaluation will mean a readjustment in the size of the ID household sample and unless this has been determined the survey activity cannot be completed.
- The Non-In-Depth (NID) PSU Sample: The NID sample is being used to provide: (a) evidence-based input into the design of PSDF interventions; (b) baseline indicators for the impact evaluation of PSDF's Skills-for-Jobs (SFJ); Skills-for-Market (SFM) and Skills-For-Employability (SFE) programs; (c) the sampling information for the assignment of treatment and control status to households that are part of these evaluations; and (d) indicators for PEOP log-frame monitoring. It consists of 709 PSUs and approximately 11,000 households. The survey activity has been completed in the NID sample.

The current report is based on the full NID sample. The NID Baseline Household Survey Activity was divided in the following three phases[2]:

1. Phase 1A, was carried out from October to November 2011 and included respondents in 1,962 households that were surveyed in the first 96 PSUs. A Skills Baseline Survey Report based on the Phase 1A sample has been submitted by the researchers to DfID, PSDF and Government of Punjab in December 2011.
2. Phase 1B, was carried out from November to December 2011 and consists of 1,985 households in another 97 PSUs. A consolidated Skills Baseline Survey Report based on the combined Phase 1A and 1B samples has been submitted by the researchers to DfID, PSDF and Government of Punjab in February 2012.
3. Phase 2, was carried out from March to May 2012 and consisted of 6,999 households in the remaining 516 PSUs.

2.1 Sample Details

Tables 2.1.1 and 2.1.2 provide details about the NID sample. NID is a representative random sample of the program districts (Table 2.1.1). Approximately 60% of the NID PSUs are rural and the remaining 40% are urban.

District	Rural	Urban	Total
Bahawalnagar	133	90	223
Bahawalpur	131	82	213
Lodhran	53	48	101
Muzaffargarh	112	60	172
Total	429	280	709
Source: Baseline Household Survey Non-In-Depth Sample			

Table 2.1.1 Number of PSUs in Each District by Rural/Urban

The Non-In-Depth sample consists of a random representative sample of approximately 11,000 households.

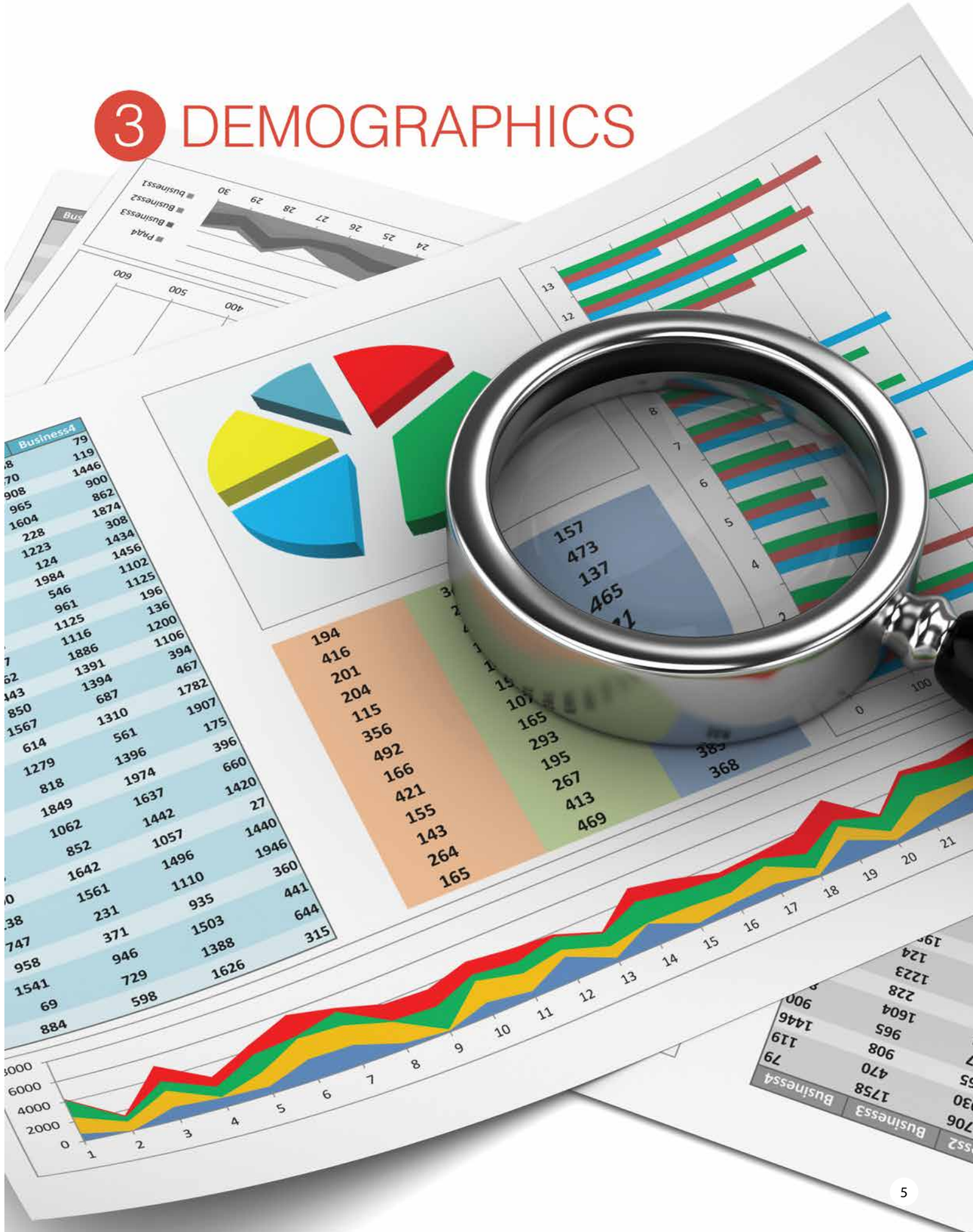
District	Rural	Urban	Total
Bahawalnagar	2258	1149	3407
Bahawalpur	2287	1002	3289
Lodhran	924	626	1550
Muzaffargarh	1925	775	2700
Total	7394	3552	10946
Source: Baseline Household Survey Non-In-Depth Sample			

Table 2.1.2 Number of Households in Each District by Rural/Urban

In Phases 1 and 2 of the NID survey activity, 12586 uniquhouseholds were *visited* out of which 10699 were from the original sample and 1887 were from the random replacement sample. The replacement households were used only if households in the original sample refused to answer, or could not be surveyed for any other reason such as non-availability of the household head or an adult female respondent. Out of the total attempted households, 10946 were completed, meaning that the completion rate for phase 1 and phase 2 households was 86.96%.

[2] *REFER TO THE HOUSEHOLD SURVEY STATUS MAP, FIGURE A.1 IN THE APPENDIX FOR A GEOGRAPHICAL OVERVIEW OF THE PSUS IN THE NON-IN-DEPTH SAMPLE.*

3 DEMOGRAPHICS



This section provides information on aspects of household-level demographic attributes and on the nature of skills acquisition in the program districts, both of which are relevant for designing PEOP interventions.

The baseline survey collected basic demographic information on all residents in our respondent households and also requested that the households identify their first and second choice males and females to receive training (what we refer to as the 'infra-marginals' or nominated household members). If training were offered, these are the individuals that households in the program districts would like to send and thus reflect households' choice based on individual need and merit. Both male and female heads of households were informed that the Government of Punjab was planning a skills training program in their area and that a significant proportion of those named in the baseline survey are likely to become eligible. This procedure was designed to elicit households' true preferences on training to the maximum extent possible.

In this section, we report basic statistics for the entire non-in depth sample and selectively for the urban and rural samples, the top infra-marginals (households' first choice to send to training) and the second infra-marginals (their second choice to send to training)[3].
The main findings of this section are the following:

- The population in the program districts is extremely young.
- The level of education attainment in this population is low in general and especially low among women.
- The levels of poverty and vulnerability[4] (the population of interest for PSDF) among households in the program districts are high, with approximately 86% population falling in these categories.

Each of these findings has important implications for PSDF interventions:

- The availability of a young population implies an opportunity for PSDF to augment human capital and have a long-term impact on the welfare of households in the program districts.
- The existence of a large population of poor and vulnerable households reveals the presence of a significant population that would fall in the target group that PSDF interventions are meant to serve.
- The low educational attainment of the population points to an opportunity in the sense that vocational training is an important avenue to augment the human capital of a large proportion of the population that lacks this capital and is either beyond the school going age or is out of school.

These findings have the following implications for design:

- The low educational attainment in this region means that it is critical that PSDF is extremely careful about the content and pedagogy of the training it supports. Content and pedagogy that assumes greater than primary levels of education as a pre-requisite will exclude large proportions of the poor and vulnerable population that PSDF is meant to serve. This is true of men to a large extent but is even more significant for women in the program districts. Imposing even modest educational thresholds would exclude large portions of the population. A requirement of primary education, for example, would exclude 65% of the total population in urban areas and more than 80% of the total population in rural areas. The excluded fraction among PEOP's targeted population of the poor and vulnerable is, of course, even greater.

The second important set of findings relates to the distribution of job-specific skills and the deficit related to core skills (literacy, numeracy, communication, creativity and planning). Just as in other countries, augmentation of core skills has two potential gains associated with it. The first relates to the ability to get more out of training and the second is returns in jobs. In this regard we find that:

- Existing job-specific skills are heavily skewed in favor of specific sectors for rural males and females. Over half of rural male respondents report possessing skills related to agriculture and nearly three-fourths of female respondents report having a skill-related to garments and related trades works.
- There are some non-traditional occupations, retail in the case of males and education in the case of females; that people in these districts are engaged in.
- We find a massive deficit in core skills; numeracy, literacy, the ability to communicate effectively, and the like. Unsurprisingly, given the low educational attainment, the proportion of population reporting lack of core skills is very high and is particularly acute for females and among individuals belonging to the lowest consumption quartiles.

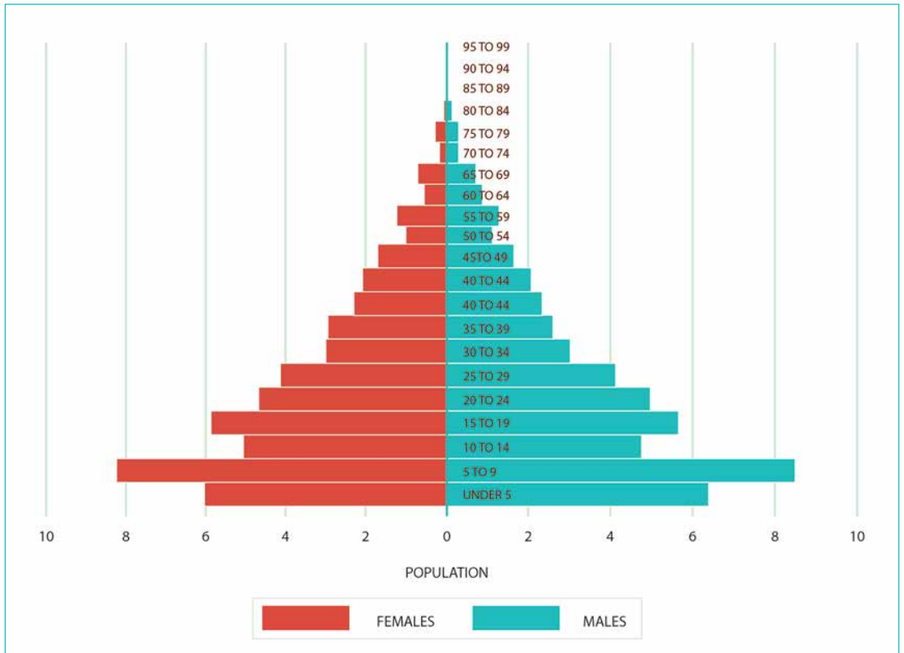
This has the following implications for design:

- Agriculturally-relevant skills are not being provided in substantial numbers by the main formal vocational training institutions currently active in Punjab. Meeting demand for training in agricultural skills may therefore require creating capacity in pedagogic approaches (e.g. agricultural extension courses) and support methods (e.g. insurance to reduce the risks of adopting new practices) that currently do not appear to be broadly available in the program region.
- Different menus of skills need to be designed for males and females and for rural and urban citizens.
- There is value in responding to the training needs of people engaged in non-traditional occupations.
- Design needs to address the high deficit in the acquisition of core skills. In Section 6.4 below we show that our respondents expect considerable returns associated with the acquisition of basic levels of core skills, which a large proportion of them currently lack. This reinforces the importance of core skills for the design of interventions.

Detailed findings are given in the sub-sections below.

3.1 Age

Not surprisingly, the age distribution in these districts is heavily skewed towards the young, roughly 44% of the working age population in the sample is under the age of 30 and a large fraction of this population is beyond the school going age. Figure 3.1.1 provides a summary of the age distribution in the program districts.

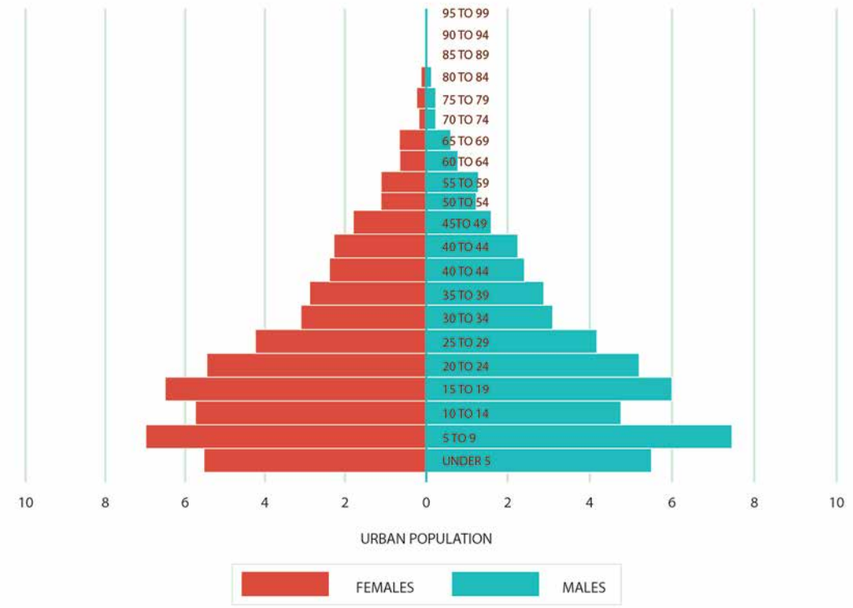


Source: Baseline Household Survey Non-In-Depth Sample

Note: The graph above shows the percentage of total population on the x-axis (for males on the right-hand side and for females on the left-hand side of zero).

Figure 3.1.1 Age Distribution of Population

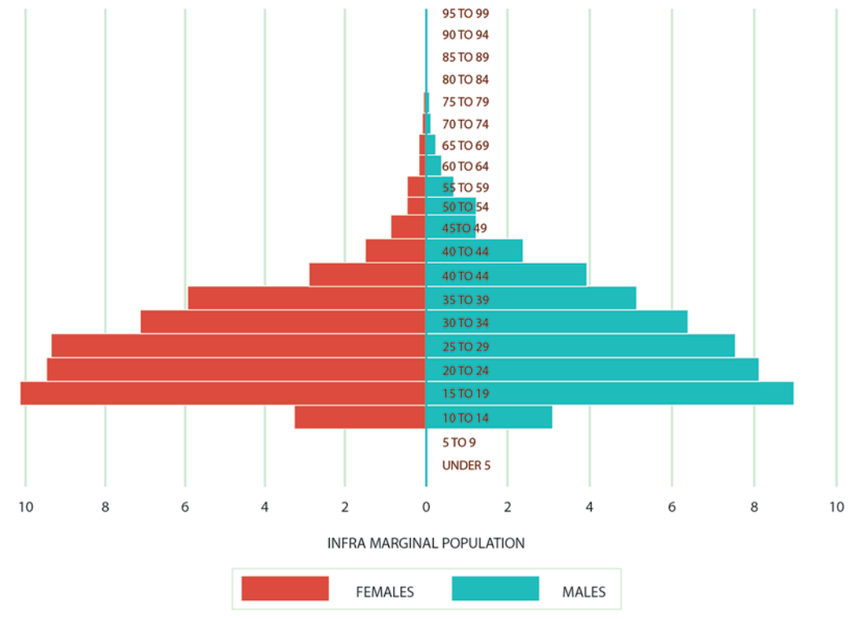
[3] *RELEVANT DISTRICT LEVEL RESULTS ARE BEING SEPARATELY PROVIDED TO PSDF.*
[4] *THE DEFINITION OF VULNERABILITY USED WAS THAT ADOPTED BY THE PEOP PROGRAM IN APRIL 2012.*



Source: Baseline Household Survey Non-In-Depth Sample

Note: The graph above shows the percentage of total urban population on the x-axis (for males on the right-hand side and for females on the left-hand side of zero)

Figure 3.1.2 Age Distribution of Urban Population



Source: Baseline Household Survey Non-In-Depth Sample

Note: The graph above shows the percentage of total infra-marginal population on the x-axis (for males on the right-hand side and for females on the left-hand side of zero).

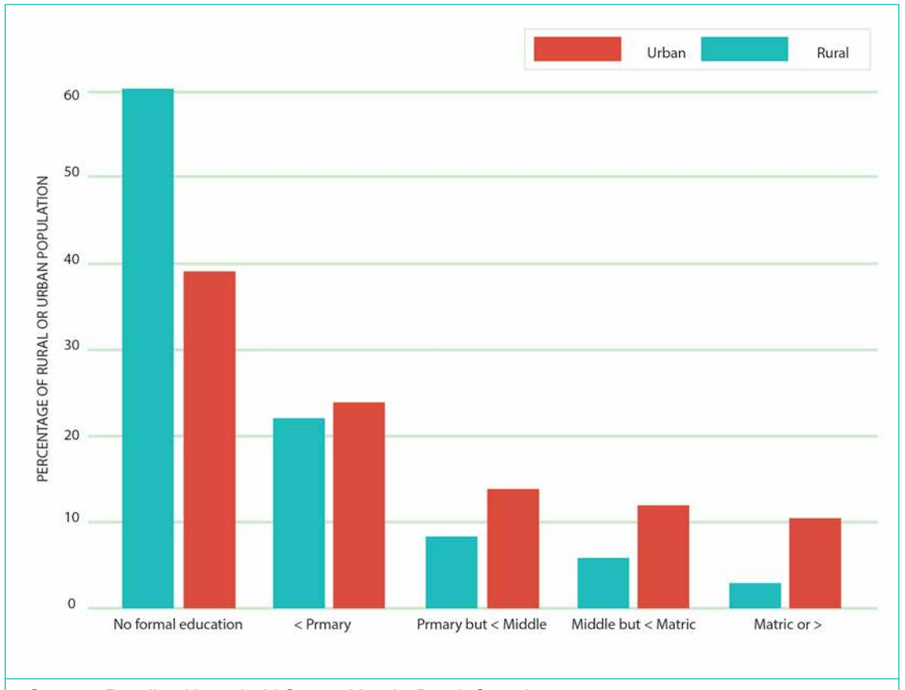
Figure 3.1.3 Age Distribution of Infra-Marginals in Population

The age distribution of top infra-marginals (the households' first choice to send for training) is also heavily skewed towards the young and in particular the age groups between fifteen and forty years suggesting that a large majority of this population is beyond the school going age (Figure 3.1.3).

The fact that the population in program districts is young implies an opportunity to have a long-term impact on the welfare of households in the program districts by augmenting their human capital.

3.2 Education

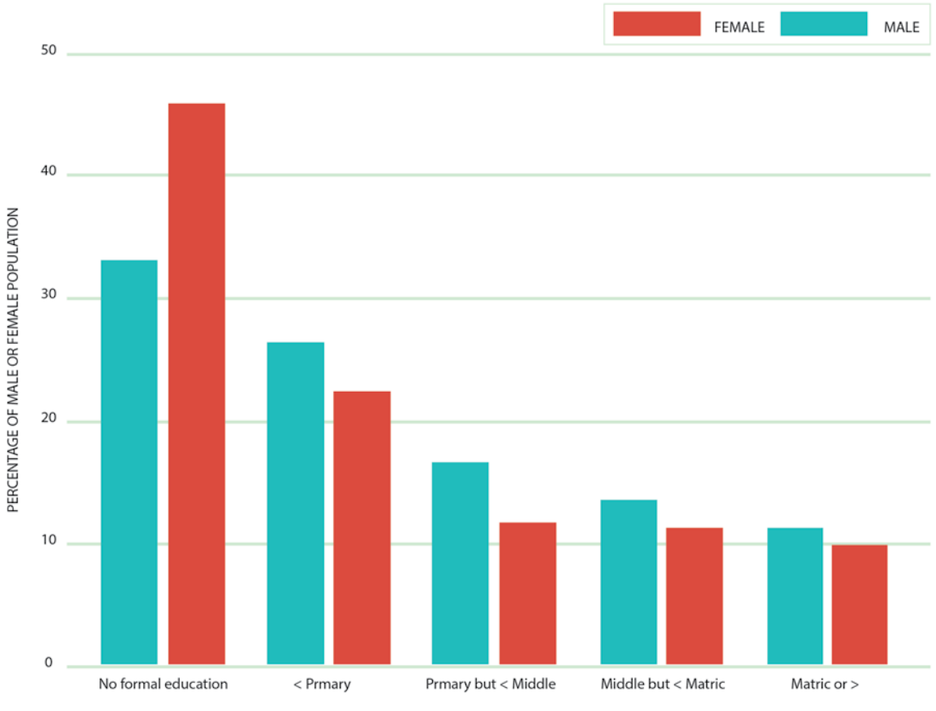
The use of vocational training to augment human capital represents an important intervention because this young population does poorly on educational attainment. Figure 3.2.1 shows that slightly less than two-thirds of the rural population and approximately two-fifths of the urban population have no formal schooling and another 20-25% of the population has an educational attainment of less than primary.



Source: Baseline Household Survey Non-In-Depth Sample

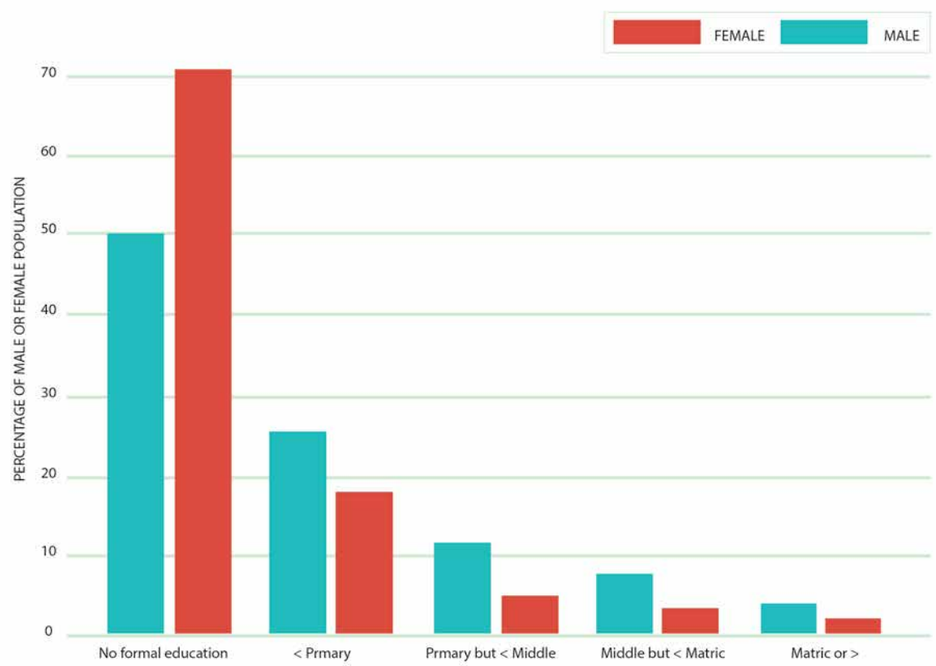
Figure 3.2.1 Education Attainment by Rural-Urban

Furthermore, the educational attainment deficit is much more acute among women in both urban and rural areas (Figure 3.2.2 and Figure 3.2.3)



Source: Baseline Household Survey Non-In-Depth Sample

Figure 3.2.2 Educational Attainment by Gender in Urban Areas



Source: Baseline Household Survey Non-In-Depth Sample

Figure 3.2.3 Educational Attainment by Gender in Rural Areas

Finally the deficit in educational attainment is much more acute in rural areas (Figure 3.2.3).

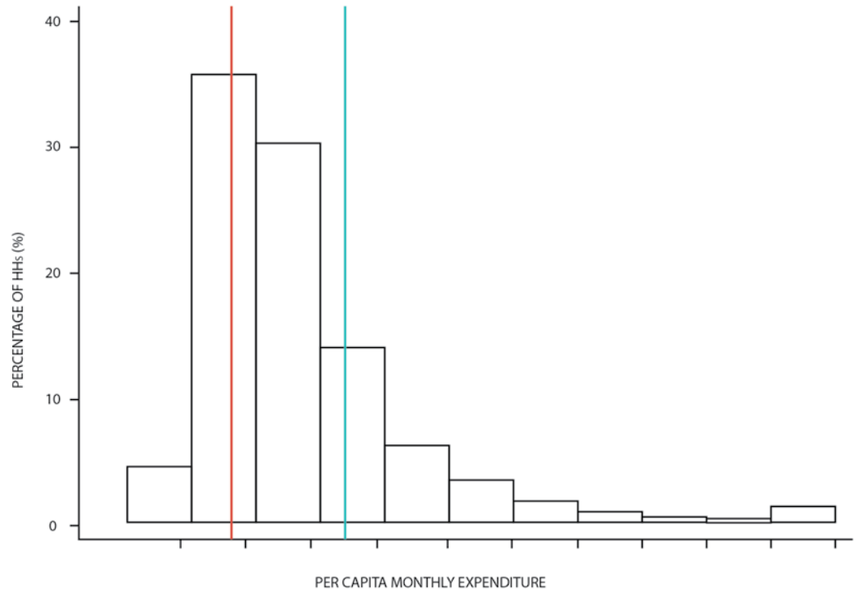
The educational deficit in this young population, a large proportion of which is beyond the school going age, reinforces the importance of skills training as a way to build human capital.

3.3 Economic Well-Being, Poverty And Vulnerability

Consistent with the literature for developing countries, we use a consumption based measure of household welfare rather than an income based indicator. As argued by Deaton and Zaidi (2002) there are several reasons for doing so. Firstly, current consumption is less volatile to negative income shocks and hence is less variable overtime. This is so especially in settings which are highly dependent on agriculture, where the households' stream of income fluctuates considerably over seasons and years. Secondly, there is a risk involved in measuring the income for households whose occupations are self-employment based. Often, these incomes (which are self-reported) are either underreported or reported with significant error. In such cases using income as a measure for poverty will seriously bias our results.

Section 3 of the household survey (female) asked respondents about the household's spending on food and other items during the reference period (last month or year). For the consumption measure, the monthly per capita expense for each household was determined. Among the non-food items, as per convention, purchase of durable goods such as clothing, furniture and utensils was valued at its user cost and expenses on items like dowry were excluded from the consumption aggregate where the latter can be viewed as a bequest or inter-generational transfer of wealth rather than consumption spending.

We present results on economic well-being by dividing households into four consumption brackets or quartiles based on the above measure. The first quartile includes the bottom 25% of the households and the fourth quartile include households belonging to the top 25% of consumption per capita. The relation of these consumption quartiles against the national poverty function for the year 2011 can be seen in Figure 3.3.1. We use an inflation adjusted official poverty line to classify the poor. In addition, following the PEOP log frame revision in April 2012, the vulnerable population is defined as the population of the non-poor whose per capita household consumption expenditure is less than Rs. 3534 per capita per month. The figure shows that approximately 86% of the population is poor and vulnerable.



Source: Baseline Household Survey Non-In-Depth Sample

Note: The red line represents the national poverty line set at Rs. 1767 per capita per month. The green line denotes the vulnerability threshold set at Rs. 3534 per capita per month.

Figure 3.3.1 Poor and Vulnerable Population

Table 3.3.1 shows that the mean household expenditure per capita of the top consumption quartile is four times that of the households in the bottom quartile. The table also shows that the mean household expenditure of the households in the second quartile is not much higher than the expenditure of households in the first quartile.

Consumption Quartile	Mean	Standard Deviation	Min	Max
Quartile 1	1261	256	0	1635
Quartile 2	1921	171	1635	2244
Quartile 3	2652	273	2244	3200
Quartile 4	4846	2860	3201	87,352
Total	2411	1759	0	87,352

Source: Baseline Household Survey Non-In-Depth Sample

Table 3.3.1 Mean Household Expenditure Per Capita by Consumption Quartiles

3.4 Economic Well-Being And Educational Attainment

Not only is educational attainment low in the program districts, there is a positive correlation between per capita household consumption expenditure and educational attainment. As shown in Table 3.4.1, approximately eighty percent of the population in the first consumption bracket has less than five years of education with over half of this population never having been to school. While this result is by no means surprising, it reinforces the fact that if PEOP wishes to aid its target population providing training opportunities for those with little to no education is critical.

Education Categories	Consumption Quartiles				
	1	2	3	4	Total
Never been to school	43.64	38.5	34.22	28.7	37.36
Basic literacy (or hafiz) without formal schooling	5.84	6.05	5.92	5.36	5.83
Less than 5 years of schooling	28.57	25.14	22.89	18.15	24.44
5<= education <8	11.14	13.17	13.72	12.78	12.59
8<= education <10	5.39	7.9	9.31	11.15	8.02
education >=10	5.43	9.23	13.94	23.86	11.77

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 3.4.1 Education by Consumption Quartiles

The correlation between consumption expenditure and educational attainment is also strong in the female population as roughly half of the female population in the first and second consumption quartiles has never been to school (See Table 3.4.2).

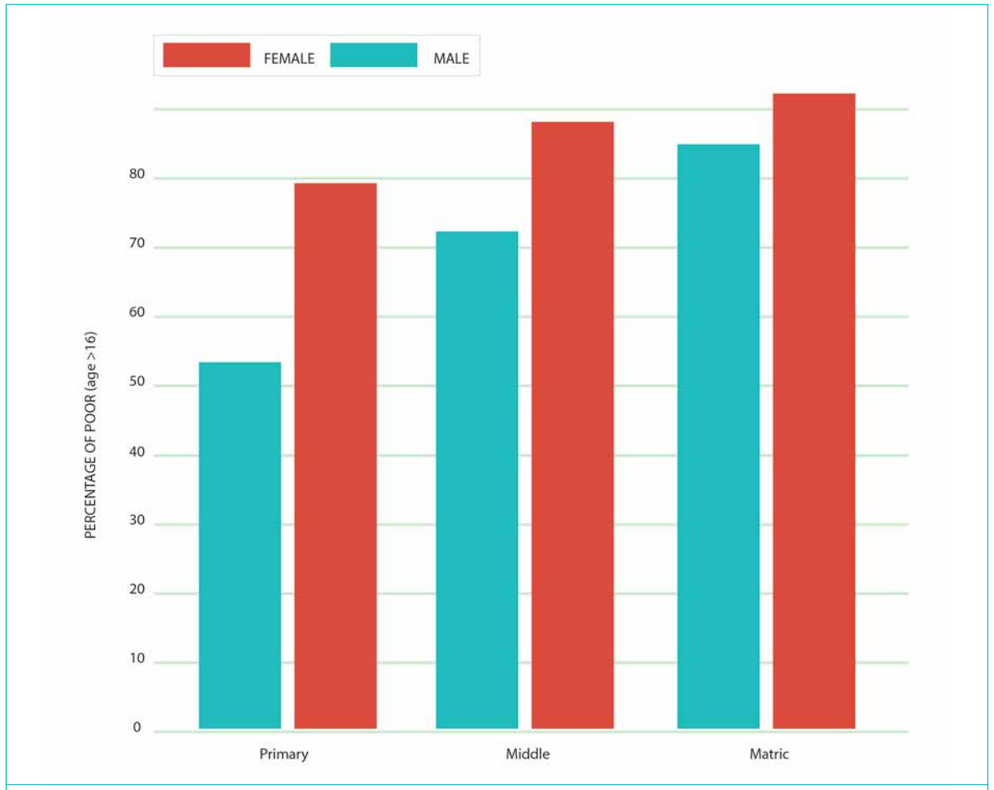
Education Categories	Consumption Quartiles				
	1	2	3	4	Total
Never been to school	55.5	48.3	46.6	38.8	48.8
Basic literacy (or hafiz) without formal schooling	5.1	5.3	5.0	4.8	5.1
Less than 5 years of schoolin	27.6	26.9	23.4	19.2	25.1
5<= education <8	6.8	9.1	9.6	11.3	8.8
8<= education <10	2.5	4.3	5.6	7.5	4.5
education >=10	2.7	6.1	9.8	18.6	7.8

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 3.4.2 Education by Consumption Quartiles (Females Only)

These numbers are extremely stark and suggest the need to be extremely careful while designing the content and pedagogy of training, in particular the educational attainment required by existing training programs. Figure 3.4.1 provides evidence on what percentage of the poor population beyond the schoolgoing age will get excluded when training requires different educational thresholds as pre-requisites. The requirement of primary education will exclude over half of the relevant male population and eighty percent of the relevant female population. Increasing the education requirement to middle school will exclude seventy percent of the relevant male and approximately ninety percent of the relevant female population.

Figure 3.4.2 shows that the degree of exclusion is also high in the relatively well-off vulnerable population for an education threshold that assumes primary or middle school education as a pre-requisite.



Source: Baseline Household Survey Non-In-Depth Sample

Figure 3.4.1 Percentage of Poor Below Education Threshold

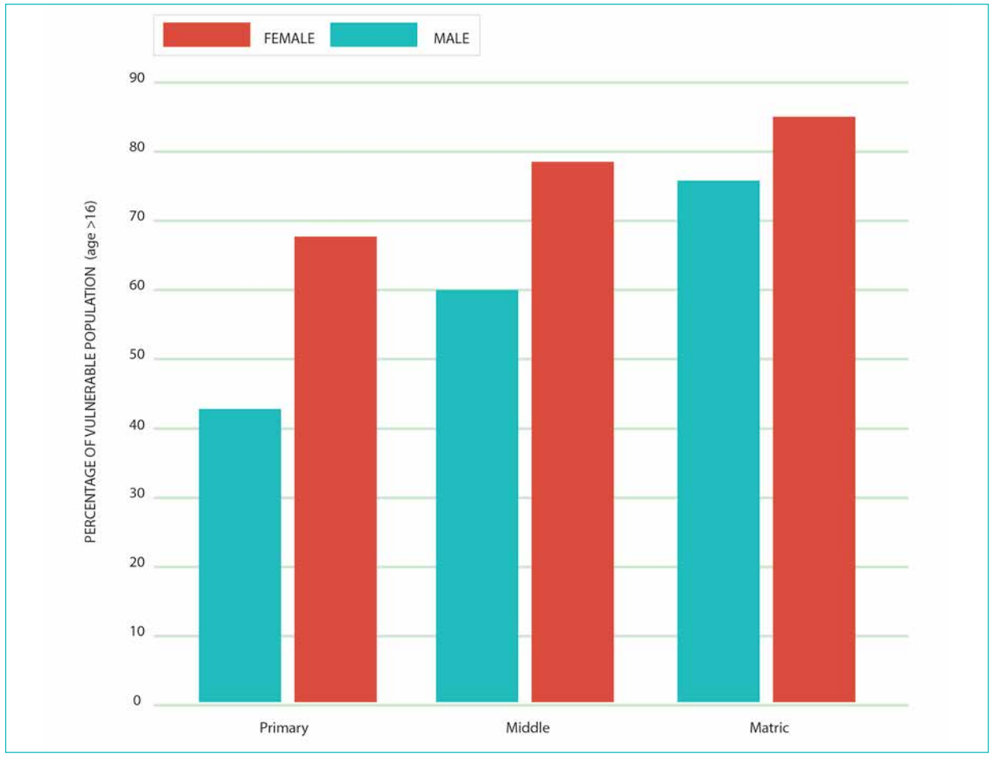
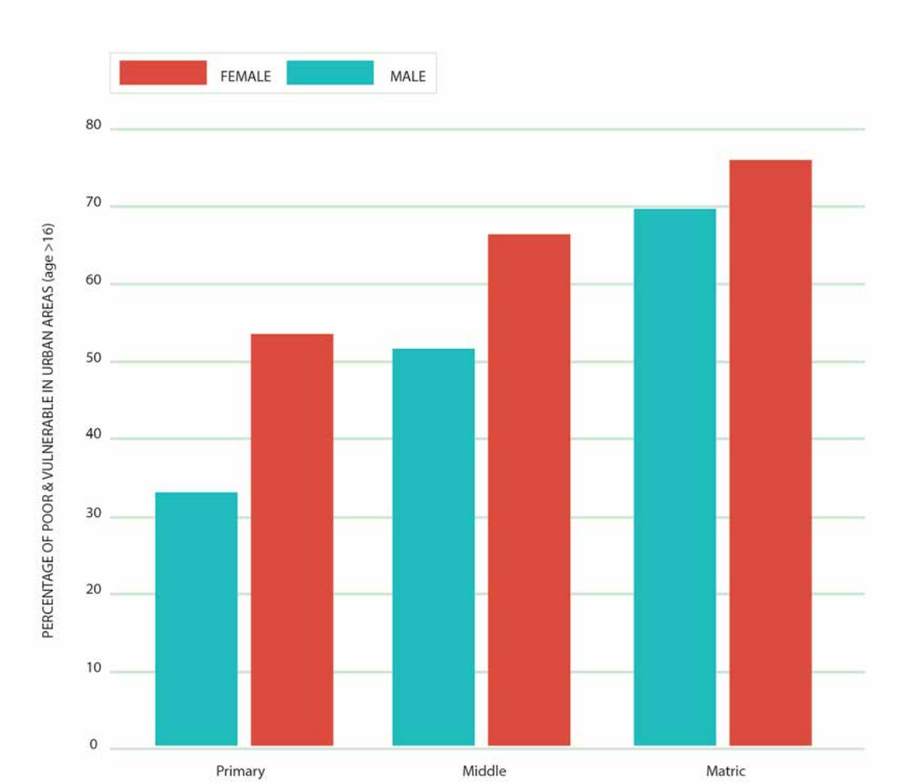


Figure 3.4.2 Percentage of Vulnerable Below Education Threshold



Source: Baseline Household Survey Non-In-Depth Sample

Figure 3.4.3 Percentage of Poor and Vulnerable Below Education Thresholds (Urban)

The degree of exclusion associated with a primary or middle school educational threshold is lower in urban areas compared to the overall population. This suggests a bias against rural areas if content and pedagogy requires formal primary education as a pre-requisite. However, the adoption of primary schooling as a pre-requisite will still exclude approximately thirty-five percent males and fifty five percent females in the beyond schoolgoing age-brackets (16 years or older) in urban areas (See Figure 3.4.3).

While the lack of schooling in the target population may at first seem to be a severe challenge for PEOP, we believe it also represents an opportunity. Households in the region expect substantial returns from obtaining even the most basic core skills. As we will show in sections 5 and 7, there are strong reasons to think that programs providing core skills will be enthusiastically received in the region. Fortunately, several of the most salient barriers to skills acquisition are things that PEOP can readily address (e.g. lack of savings to make-up wages foregone while attending training), meaning there are great opportunities for successfully enhancing skills acquisition.

3.5 Job-Specific Skills

This section provides information on the distribution of job-specific skills in the program districts. The analysis is based on responses about the occupations respondents can work in, with the current set of job-specific skills that they possess. The report uses the ISCO 2008 International Standard Classification of Occupations and Skills (ILO, 2012). Classification of occupation groups used in the table is reported in Table B.1 of Appendix B. The analysis suggests the following findings: The current set of skills possessed by rural males is heavily skewed towards agriculture and livestock related occupations; with more than half of this population possessing skills relevant to these occupations (Table 3.5.1). Crafts, trades and service sector occupations dominate the distribution of the current set of job-specific skills possessed by urban males (Table 3.5.1).

Occupations Matching Current Set of Skills Possessed	Rural	Urban	Total
Defense force	0.5	0.5	0.5
Managers	0.4	0.7	0.5
Teaching professionals	1.3	2.7	1.8
Health professionals	0.4	1.3	0.7
Legal, social and cultural professionals	1.7	1.9	1.8
Other professionals	0.4	1.4	0.7
Technicians and associate professionals	0.7	2.2	1.2
Clerical support workers	1.2	5.0	2.4
Shop salespersons	3.9	15.6	7.6
Hairdressers, beauticians and related workers	1.3	1.4	1.4
Cooks	0.6	1.1	0.7
Waiters and bartenders	0.2	0.4	0.3
Other services and sales work	1.1	3.6	1.9
Drivers and mobile plant operators	6.4	7.9	6.9
Food processing and related trades workers	0.6	1.4	0.8
Stationary plant and machine operators	0.4	0.6	0.5
Craft and related trades works	8.6	17.9	11.6
Garment and related trades works	3.2	5.3	3.9
Wood treaters, cabinet-makers and related trades workers	1.6	2.6	2.0
Other elementary occupations	0.2	0.9	0.4
Animal producers	7.0	3.0	5.7
Subsistence crop farmers	15.0	2.7	11.1
Other skilled agricultural, forestry and fishery works	2.1	0.7	1.7
Agricultural, forestry and fishery laborers	4.3	0.9	3.2
Laborers in mining, construction, manufacturing and transport	11.2	11.5	11.3
Mixed crop farmers	25.8	6.8	19.7
N	***14017***	***6552***	***20569***

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 3.5.1 Job-Specific Skills by Rural/Urban Areas (Male General Population)

In the case of females, the distribution of job-specific skills is heavily concentrated in garments and related trade works (Table 3.5.2) followed by skills relevant for the education sector in the urban female population. It appears that males and females are acquiring different types of skills.

Occupations Matching Current Set of Skills Possessed	Rural	Urban	Total
Defense force	0.00	0.03	0.01
Managers	0.03	0.10	0.06
Teaching professionals	1.04	6.21	2.79
Health professionals	0.45	0.81	0.57
Legal, social and cultural professionals	0.21	0.54	0.32
Other professionals	0.03	0.20	0.09
Technicians and associate professionals	0.19	0.74	0.38
Clerical support workers	0.14	0.74	0.34
Shop salespersons	0.16	0.34	0.22
Hairdressers, beauticians and related workers	0.29	1.62	0.74
Cooks	0.45	0.54	0.48
Other services and sales work	0.02	0.03	0.02
Drivers and mobile plant operators	0.00	0.03	0.01
Stationary plant and machine operators	0.05	0.03	0.05
Craft and related trades works	7.98	2.83	6.23
Garment and related trades works	68.24	79.62	72.10
Wood treaters, cabinet-makers and related trades workers	0.02	0.57	0.21
Other elementary occupations	0.31	1.05	0.56
Animal producers	3.19	0.94	2.43
Subsistence crop farmers	0.50	0.00	0.33
Other skilled agricultural, forestry and fishery works	0.19	0.00	0.13
Mixed crop farmers	2.15	0.17	1.48
Laborers in mining, construction, manufacturing and transport	0.36	0.44	0.39
Agricultural, forestry and fishery laborers	14.00	2.40	10.07
N	***10479***	***4736***	***15215***

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 3.5.2 Job-Specific Skills by Rural/Urban Areas (Female General Population)

The distribution of job-specific skills in rural and urban areas among the target population of poor and vulnerable is given in Table 3.5.3 and Table 3.5.4. The overall pattern is similar to the pattern found in the general population.

Occupations Matching Current Set of Skills Possessed	Rural	Urban	Total
Defense force	0.5	0.6	0.5
Managers	0.4	0.5	0.4
Teaching professionals	1.1	2.1	1.4
Health professionals	0.4	0.9	0.6
Legal, social and cultural professionals	1.8	1.6	1.7
Other professionals	0.4	1.2	0.6
Technicians and associate professionals	0.7	1.9	1.0
Clerical support workers	1.2	4.2	2.1
Shop salespersons	3.8	15.5	7.3
Hairdressers, beauticians and related workers	1.4	1.6	1.5
Cooks	0.6	1.2	0.8
Waiters and bartenders	0.3	0.4	0.3
Other services and sales work	1.1	4.0	2.0
Drivers and mobile plant operators	6.4	8.2	6.9
Food processing and related trades workers	0.6	1.4	0.8
Stationary plant and machine operators	0.4	0.6	0.5
Craft and related trades works	8.7	18.1	11.5
Garment and related trades works	3.4	5.9	4.1
Wood treaters, cabinet-makers and related trades workers	1.8	2.8	2.1
Other elementary occupations	0.2	1.0	0.5
Animal producers	7.0	2.8	5.7
Subsistence crop farmers	14.3	2.3	10.7
Other skilled agricultural, forestry and fishery works	2.0	0.8	1.7
Agricultural, forestry and fishery laborers	4.6	1.1	3.6
Mixed crop farmers	25.5	6.4	19.8
Labourers in mining, construction, manufacturing and transport	11.7	13.1	12.1
N	***12057***	***5092***	***17149***

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 3.5.3 Job-Specific Skills by Rural/Urban Areas (Male Target Population)

The distribution of skills remains concentrated in garments and textiles among females in the target population (Table 3.5.4).

The implications of the current concentration of job-specific skills in agriculture (for rural men) and garments and related trade works (for women) is, to a large extent, just what we should expect given the current state of the economy in the PEOP districts.

The analysis in this section suggests that distinctly different menus of skills need to be designed for the male and female population and for the rural and urban population. In the case of rural areas it is important for PEOP to respond to training needs in the agriculture and livestock sectors. There are some non-traditional areas, such as education and retail, that people in these districts are engaged in and it would be important for PSDF to respond to training needs in these occupational sectors.

3.6 Core Skills

In addition to job-specific skills, two groups of core skills were identified that could potentially improve job earnings and employability:

1. Standard group of core skills includes literacy and numeracy

2. Non-standard group of core skills includes communication, creativity and planning

For each group of core skills, we asked respondents identified as infra-marginals whether they had a basic or advanced level of that skill and posed the same question to the male or female head of the household. Definitions of these skills can be found in Appendix E. Tables 3.6.1, 3.6.2 and 3.6.3 show both families' and individuals' assessments of these skills among those identified for training. Table 3.6.1 breaks those responses down by gender, Table 3.6.2 does so by income quartiles, and Table 3.6.3 does so by education.

Occupations Matching Current Set of Skills Possessed	Rural	Urban	Total
Defense force	0.00	0.04	0.01
Managers	0.04	0.09	0.06
Teaching professionals	0.71	3.43	1.57
Health professionals	0.41	0.22	0.35
Legal, social and cultural professionals	0.20	0.35	0.25
Other professionals	0.02	0.09	0.04
Technicians and associate professionals	0.12	0.62	0.28
Clerical support workers	0.10	0.48	0.22
Shop salespersons	0.16	0.22	0.18
Hairdressers, beauticians and related workers	0.24	1.50	0.64
Cooks	0.43	0.66	0.50
Other services and sales work	0.00	0.04	0.01
Stationary plant and machine operators	0.06	0.04	0.06
Craft and related trades works	8.24	3.30	6.68
Garment and related trades works	67.37	82.74	72.23
Wood treaters, cabinet-makers and related trades workers	0.02	0.48	0.17
Other elementary occupations	0.37	1.19	0.63
Animal producers	3.07	0.79	2.35
Subsistence crop farmers	0.49	0.00	0.33
Other skilled agricultural, forestry and fishery works	0.12	0.00	0.08
Agricultural, forestry and fishery laborers	14.99	2.99	11.20
Mixed crop farmers	2.40	0.18	1.70
Labourers in mining, construction, manufacturing and transport	0.43	0.53	0.46
N	***8963***	***3670***	***12633***

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 3.5.4 Job-Specific Skills by Rural/Urban Areas (Female Target Population)

Skills	Family Assessment			N	Personal Assessment			N
	None	Basic	Advanced		None	Basic	Advanced	
All Infra-Marginals								
Standard	34.3	43.2	22.5	***18,194***	32.9	43.1	24.0	***17,300***
Non-standard	39.7	42.0	18.2	***18,194***	37.2	42.7	20.1	***17,300***
Males								
Standard	21.7	52.2	26.1	***8,974***	20.1	52.1	27.8	***8,491***
Non-standard	30.0	47.6	22.4	***8,974***	27.3	48.2	24.5	***8,491***
Females								
Standard	46.6	34.4	19.0	***9,220***	45.2	34.5	20.3	***8,809***
Non-standard	49.2	36.6	14.2	***9,220***	46.8	37.4	15.8	***8,809***

Source: Baseline Household Survey Non-In-Depth Sample
Note: Except the last column, the cell values in the table above contain row percentages. For instance, in 46.6% of the cases, family assessment regarding the literacy and numeracy of female infra-marginals is that they have 'no standard skills'; in addition, 45.2% of all female infra-marginals consider themselves to have 'no standard skills'.

Table 3.6.1 Family and Individual Assessment of Core Skills by Gender

Five key facts stand out about the current distribution of core skills in the PEOP districts. First, there is very little disagreement between individuals and household heads about their core skills indicating there is uniform information at the household level about individual members' skills.

Second, almost one-third of the population is reporting that they are not functional in these skills at even a basic level. Third, females suffer a distinct deficit in core skills relative to males. Approximately 45% of infra-marginal females report lacking standard skills, compared to only 20% of males.

Fourth, possession of core skills is strongly correlated with economic well-being. People in the highest consumption quartile, for example, were twice as likely to report an advanced level of core skills as compared to those in the bottom quartile (Table 3.6.2). There is thus a huge deficit of core skills among the target population.

Skills	Family Assessment			N	Personal Assessment			N
	None	Basic	Advanced		None	Basic	Advanced	
Quartile 1								
Standard	42.9	43.9	13.2	***4,668***	41.1	44.5	14.4	***4,366***
Non-standard	49.4	39.3	11.3	***4,668***	46.5	40.8	12.7	***4,366***
Quartile 2								
Standard	36.2	44.4	19.4	***4,657***	35.2	44.1	20.8	***4,401***
Non-standard	41.9	42.7	15.4	***4,657***	39.4	43.3	17.3	***4,401***
Quartile 3								
Standard	32.1	43.3	24.7	***4,461***	30.9	43.2	25.9	***4,282***
Non-standard	37.0	43.3	19.7	***4,461***	35.0	43.8	21.2	***4,282***
Quartile 4								
Standard	25.3	40.4	34.3	***4,161***	23.9	40.1	36.0	***4,019***
Non-standard	29.8	42.9	27.4	***4,161***	27.5	42.8	29.6	***4,019***

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent row percentages.

Table 3.6.2 Family and Individual Assessment of Core Skills by Consumption Quartiles

Lastly, as expected, the acquisition of core skills at a basic or advanced level is highly correlated with education attainment among both males and females (Table 3.6.3). This, again, points to the need for carefully thinking through pedagogy and curriculum as PSDF aims to increase the uptake of skills acquisition in a target population with low educational attainment.

Skills	Family Assessment			N	Personal Assessment			N
	None	Basic	Advanced		None	Basic	Advanced	
No Formal Education								
Standard	72.6	26.9	0.6	***7,740***	70.1	29.0	0.9	***7,545***
Non-standard	68.2	29.3	2.4	***7,740***	65.5	31.8	2.8	***7,545***
Class 1 to 5								
Standard	12.2	81.0	6.8	***3,800***	9.1	83.1	7.8	***3,469***
Non-standard	36.4	56.9	6.7	***3,800***	31.4	60.5	8.1	***3,469***
Class 6 to 8								
Standard	3.3	69.4	27.3	***2,571***	1.9	68.0	30.2	***2,315***
Non-standard	14.5	68.7	16.8	***2,571***	12.1	68.3	19.6	***2,315***
Class 9 to 10								
Standard	1.7	31.1	67.2	***2,374***	0.8	29.1	70.1	***2,287***
Non-standard	5.6	45.6	48.8	***2,374***	4.2	43.3	52.4	***2,287***
Greater than 10								
Standard	2.1	10.4	87.5	***1,709***	1.1	9.1	89.8	***1,684***
Non-standard	3.22	21.7	75.1	***1,709***	2.0	19.1	78.9	***1,684***

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent row percentages.

Table 3.6.3 Family and Individual Assessment of Core Skills by Education Level

Understanding the labor markets in the program districts is extremely important for the design of effective and grounded interventions. The following findings related to employment and labor status have important implications for the design of PSDF interventions:

- The level of unemployment is low among men but much higher among women. The data collected so far suggests that almost two-thirds of women are unemployed in the program districts.
- Two-thirds of the male population is working and about a third of this population is looking for other options. This suggests that PSDF interventions targeted at men will have to focus on those already in the workforce as they constitute a very large majority.
- Contrary to conventional thinking, nearly half of the unemployed women (31% of women) report being unemployed and looking for work, that is, they remain active participants in the labor market. Because this large population wants to work, there may be tremendous gains in household welfare associated with enhancing the employability of women. Unemployed women actively looking for jobs should therefore constitute an important target group for PSDF programs.
- An extremely large majority of males and females are employed as daily laborers or are self-employed. Only one-fourth of the male population is involved in paid employment and the proportion of women involved in this type of employment is extremely small. This suggests a gap between the skills required for paid employment and the skills possessed by the target group, a gap which could be filled by PEOP interventions. However, it is equally important for PSDF to think through the relevance of their training for self-employment opportunities and these interventions cannot solely focus on the wage earners.

The following findings about migration, preferences for location of work and job placement also have important implications for program design:

- Extremely large proportions of our sample households remain focused on the local labor market and are poorly integrated in the regional, national and international markets. We deduce this from information on their existing work locations and the respondents' self-reported choice of location for work. This suggests that core PSDF interventions cannot be designed on the assumption that there is a large appetite for national and international migration in the target population. A large portion of the skills provided by PSDF must therefore be relevant to the local labor market. Interventions need to focus on the provision of skills that are relevant for the local employers or are associated with the production of commodities that can be produced locally and marketed widely. The latter is extremely important in the case of women for whom the labor market appears extremely localized and the incidence of paid employment is quite low.
- Job placement in our program districts is hugely determined by personalized social networks, which appear to be exclusionary in nature. The fact that a large number of respondents report that access to better networks would enhance their job prospects implies there are likely to be substantial gains from broadening job search and providing better matching between potential employees and employment opportunities. It may therefore be worthwhile for PSDF to experiment with job placement interventions with an aim to increase job access for the target population.

4.1 Employment And Labor Status

There are large gender differences in employment status. While a majority of males are working, a majority of females are unemployed (Table 4.1.1). Only 5.7% of the males living in surveyed households reported being unemployed and looking for work. Another 8.9% reported being unemployed and not looking for work. Among women, the trends are starkly different. Roughly 68% of the women living in surveyed households reported being unemployed, of which approximately half report being unemployed and looking for work. Among working women, it is important to note that almost half of the women are actively looking for work. In the case of working men, roughly half are looking for other options. These are important characteristics that need to be kept in mind while designing programs.

Employment Status	Male	Female	Total
Unemployed and not looking	8.9	33.3	21.1
Unemployed but looking	5.7	35.0	20.3
Student	19.3	14.1	16.7
Working	43.9	9.1	26.6
Working but looking for other options	22.1	8.5	15.3
Total	100	100	100

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 4.1.1 Employment Status by Gender

Employment status does not change much when we focus exclusively on the target population (Table 4.1.2). The only difference is that a slightly higher percentage of poor and vulnerable are working relative to the non-poor and non-vulnerable.

Employment Status	Poor	Vulnerable	Non-poor-Non-vulnerable	Total
Unemployed and not looking	21.2	20.9	21.9	21.2
Unemployed but looking	20.4	20.4	20.9	20.5
Student	14.9	17.2	19.4	16.8
Working	28.0	25.6	25.2	26.4
Working but looking for other options	15.5	15.9	12.7	15.3
Total	100	100	100	100

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 4.1.2 Employment Status by Poor/Non-Poor

We do not find any stark differences in rates of male and female unemployment between rural and urban areas (Table 4.1.3). However, it's interesting to note that a higher percentage of rural population is working but looking for other options as compared to population in urban areas.

Employment Status	Rural		Urban	
	Male	Female	Male	Female
Unemployed and not looking	10.2	37.5	9.7	40.0
Unemployed but looking	5.1	37.7	5.3	36.9
Student	6.0	2.5	10.9	7.8
Working	51.2	11.0	53.3	9.5
Working but looking for other options	27.5	11.2	20.9	5.7

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 4.1.3 Employment Status by Rural/Urban and Gender (General Population: Age> 16)

Another important finding is that the majority of the working population is engaged in the labor market either as daily wage workers or through self-employment (Table 4.1.4). Paid employment (paid weekly or monthly) constitutes almost one-fifth of the total population of respondents engaged in work. There are large differences in labor status between men and women. While the incidence of paid employment and self-employment is much higher among men, women are largely engaged in daily wage labor. Again the fact that a significant majority of the population is involved in daily wage labor and self-employment is an important fact that needs to be kept at the forefront while designing the portfolio of interventions.

Labor Status	Male	Female	Total
Paid employment	24.4	12.4	21.4
Unpaid employment	8.5	7.5	8.3
Apprentice	1.4	0.5	1.2
Daily wage labor	23.4	64.6	33.7
Self-employed	42.3	15.0	35.5
Total	100	100	100

Source: Baseline Household Survey Non-In-Depth Sample
Note: The above table reports responses as a percentage of total jobs (one person could be engaged in multiple jobs). Cell values represent column percentages

Table 4.1.4 Labor Status by Gender (General Population: Age> 16)

Analyzing this data for the target population reveals a much higher incidence of daily wage labor among the poor, compared to the non-poor and non-vulnerable. We also find a much lower incidence of self-employment in the poor and vulnerable as compared to the non-poor and non-vulnerable (Table 4.1.5).

Labor Status	Poor	Vulnerable	Non-poor-Non-vulnerable	Total
Paid employment	18.6	21.9	26.6	21.4
Unpaid employment	8.1	9.0	6.4	8.3
Apprentice	1.3	1.2	1.0	1.2
Daily wage labor	41.6	31.8	22.4	33.9
Self-employed	30.4	36.2	43.6	35.2
Total	100	100	100	100

Source: Baseline Household Survey Non-In-Depth Sample
Note: The above table reports responses as a percentage of total jobs (one person could be engaged in multiple jobs). Cell values represent column percentages

Table 4.1.5 Labor Status by Poor/Non-Poor (General Population: Age> 16)

Finally, we find that in urban areas the incidence of paid employment is higher and the incidence of unpaid employment is lower in these areas (Table 4.1.6). Interestingly, a much higher proportion of the female population is involved in paid and self-employment in urban areas as compared to rural areas. Also, there is a very high incidence of daily wage labor among females in both urban and rural areas relative to males, but of note is that this incidence is much lower in urban areas. Another interesting fact is that the incidence of apprenticeship, while low in general is relatively higher in urban areas in both the male and the female population.

Labor Status	Rural		Urban		Total
	Male	Female	Male	Female	
Paid employment	19.7	4.1	26.5	22.4	17.0
Unpaid employment	10.7	5.5	6.0	1.1	8.0
Apprentice	1.7	0.5	4.8	4.0	2.0
Daily wage labor	25.0	82.3	18.3	48.8	40.0
Self-employed	43.0	7.6	44.5	23.7	33.0

Source: Baseline Household Survey Non-In-Depth Sample
Note: The above table reports responses as a percentage of total jobs (one person could be engaged in multiple jobs). Cell values represent column percentages.

Table 4.1.6 Labor Status by Rural / Urban and Gender (General Population: Age> 16)

4.2 Migration, Location Of Work And Job Search

4.2.1 Migration and Location of Work

Interestingly, the household labor market in the program districts appears to be extremely localized especially for women. Of those currently working, over three-fourths of males and over ninety-five percent of females report working in their village/neighborhood of residence or a different village/town in the same district. Table 4.2.1 summarizes where respondents work. Overall, the population in the program districts does not appear to be integrated into regional labor markets, let alone national or international ones.

Our survey elicited the preferences for migrant work among our respondents by asking respondents whether household members would like to move outside the locality and district for work and, if so, where (Table 4.2.2). Results suggest that few express a desire to move for work; less than 8 percent of women said they would like to get jobs outside the district and over half of the male population and more than 80% of female population reported a preference for working within the district as well. While we do not report separate findings for the rural and urban population, the results are no different from that of the general population. This tends to suggest that the skills imparted should be relevant for the local labor markets, especially in the case of women.

Labor Status	Gender		Total
	Male	Female	
Same village/mohalla (locality)	71.9	88.3	76.1
Different village/mohalla (within district)	11.8	7.4	10.7
Different district	8.2	2.3	6.6
Different province	5.5	1.5	4.5
Different country	1.2	0.1	0.9
Don't know	1.5	0.4	1.2
Total	100	100	100

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages.

Table 4.2.1 Location of Work by Gender

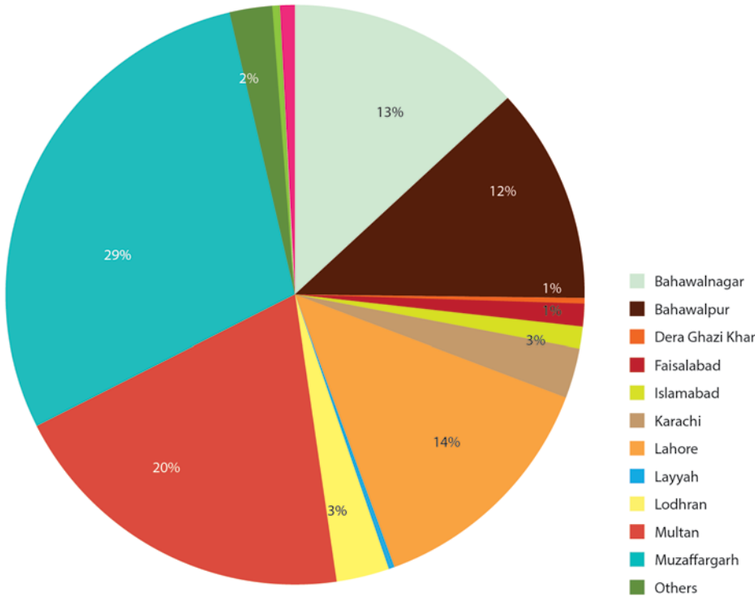
Desired Out-of-District Location	Gender		Total
	Male	Female	
Domestic (within district)	50.9	84.7	57.9
Domestic (outside district)	11.4	6.9	10.5
International	6.2	1.0	5.1
No specific location	31.5	7.4	26.5
Total	100	100	100

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages.

Table 4.2.2 Preferred Out-of-Village Location for Job by Gender

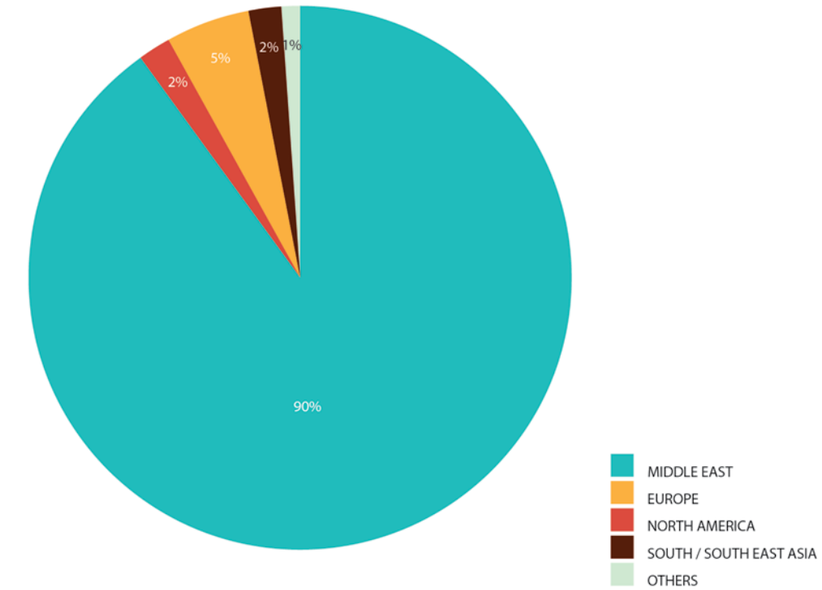
For those reporting a preference to migrate, the preferred location of work is given in Figures 4.2.1 and 4.2.2. Within this sub-group and among those who want to remain in the country, big cities like Lahore, Multan and Bahawalpur stand out as the preferred destinations.

The Middle East is the preferred location of work for the small set of respondents who reported a preference for getting a job outside Pakistan (Figure 4.2.2).



Source: Baseline Household Survey Non-In-Depth Sample
Note: Others include Hyderabad, Mianwali, Khanewal, Bahawalnagar, Muzaffargarh, Rahim Yar Khan, Sahiwal, Sargodha, Sialkot.

Figure 4.2.1 Migration: Destination for Work (Within)



Source: Baseline Household Survey Non-In-Depth Sample
Note: Others include Africa and "any other country".

Figure 4.2.2 Migration: Destination for Work (Abroad)

4.2.2 Job Search

Not surprisingly, given the apparently localized nature of labor markets in the PEOP region, most individuals who are currently working found their jobs through personal networks. Ninety-four percent of day laborers found their positions through personal networks and 80% of those earning regular wages did so as well (Table 4.2.3).

How Job Was Found	Wage Employment			Daily Labor			Combined		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Personal networks	80.59	80.02	80.30	89.92	97.14	93.53	85.25	88.58	86.92
Started business/trade from scratch	0.07	0.18	0.13	0.05	0.00	0.05	0.06	0.18	0.10
Through employment agency	1.41	0.18	0.79	0.91	0.16	0.53	1.16	0.17	0.66
Door to door visits	0.81	1.57	1.19	4.38	0.32	2.35	2.60	0.94	1.77
Saw job advertisement and applied	14.51	17.03	15.77	0.26	0.08	0.17	7.39	8.56	7.97
Apprenticed in firm	0.39	0.18	0.29	0.05	0.03	0.04	0.22	0.11	0.16
Through the church or mosque	0.31	0.00	0.31	0.00	0.27	0.27	0.31	0.27	0.29
Other	0.57	0.28	0.42	2.88	1.04	1.96	1.73	0.66	1.19

Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent column percentages

Table 4.2.3 How Job Was Found by Labor Status

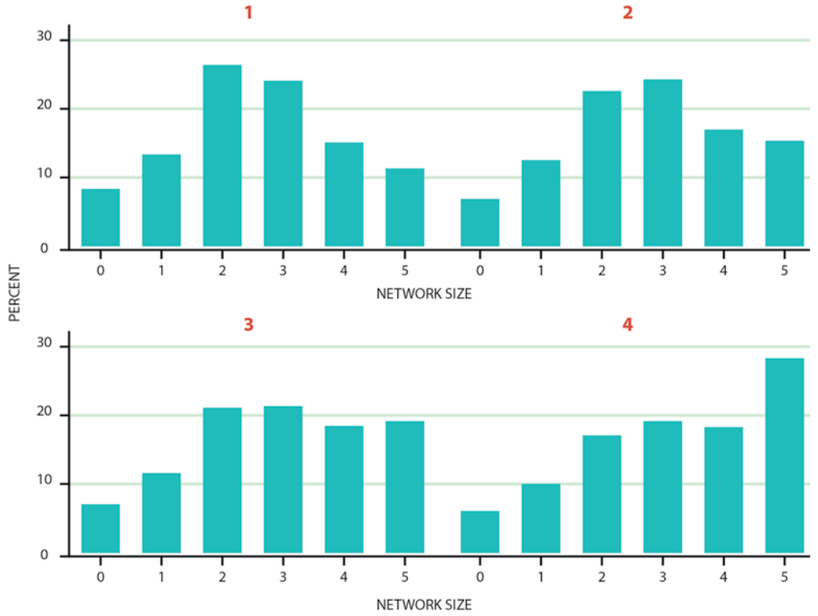
The use of personal networks to find jobs declines in the case of respondents whose jobs are located outside the local villages but within the national economy (Table 4.2.4). For example, among those working in a different district of the province, over twenty-five percent found jobs in response to advertisements. Interestingly, international migration is dominated by personal job search networks. It appears that job placement mechanisms are extremely narrow and there may be large gains associated with broadening them.

The significance of non-personalized means of job search is even more important for that segment of the urban population whose jobs are located within the national economy but outside their districts (Table 4.2.5). The second most popular mechanism, after personal networks, used by this population is response to job advertisements. Increasing the placement of program beneficiaries into regional and national labor markets will thus require supporting the broadening of job placement mechanisms.

Employer Location	Personal Networks	Started business/ trade from scratch	Through employment agency	Door to door visits	Saw a job advertise-ment and applied	Appreticed in this firm	Through the church or mosque	Other	Total
Same village	96.00	0.03	0.31	1.22	0.98	0.22	0.21	1.04	100
Different village	75.82	0.10	0.99	2.24	18.60	0.78	0.10	1.35	100
Different district	69.89	0.00	2.01	1.51	25.52	0.29	0.14	0.65	100
Different province	76.46	0.21	2.19	6.04	11.77	0.10	0.21	3.02	100
Different country	82.08	0.00	10.40	0.00	6.94	0.00	0.00	0.58	100
Don't know	62.27	0.45	1.36	1.82	24.55	0.45	0.45	8.64	100
Total	88.77	0.06	0.83	1.70	6.88	0.29	0.19	1.29	100

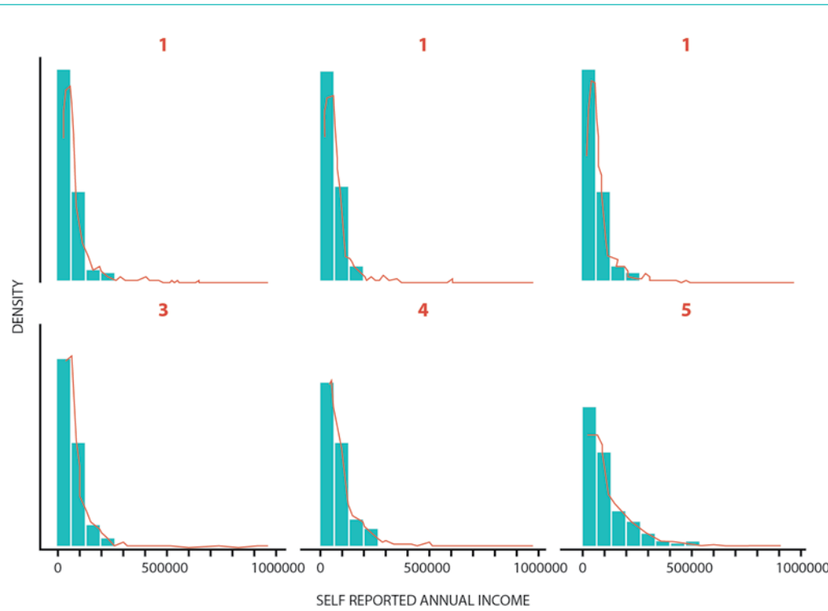
Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent row percentages

Table 4.2.4 Job Search Method by Employer Location



Source: Baseline Household Survey Non-In-Depth Sample

Figure 4.2.3 Network Size by Consumption Quartile



Source: Baseline Household Survey Non-In-Depth Sample

Figure 4.2.4 Income by Network Size

We also find that the better off households have more diverse networks (Figure 4.2.3) and the size of a household's network is positively correlated with income (Figure 4.2.4). This suggests that the narrowness of networks is constraining poor and low income households from exploiting potential labor market opportunities. Job search interventions that can connect these households to larger, diverse, job search networks can have a significant effect on their welfare.

Employer Location	Personal Networks	Started business/ trade from scratch	Through employment agency	Door to door visits	Saw a job advertise-ment and applied	Appreticed in this firm	Through the church or mosque	Other	Total
Same village	93.32	0.08	0.55	1.39	2.73	0.38	0.17	1.39	100
Different village	60.23	0.00	1.31	1.96	34.70	0.98	0.00	0.82	100
Different district	58.30	0.00	2.02	0.67	38.34	0.45	0.22	0.00	100
Different province	71.04	0.00	3.47	3.86	17.76	0.00	0.39	3.47	100
Different country	70.00	0.00	15.00	0.00	13..33	0.00	0.00	1.67	100
Don't know	48.24	1.18	1.18	0.00	47.06	0.00	0.00	2.35	100
Total	81.12	0.08	1.28	1.51	14.11	0.44	0.16	1.30	100

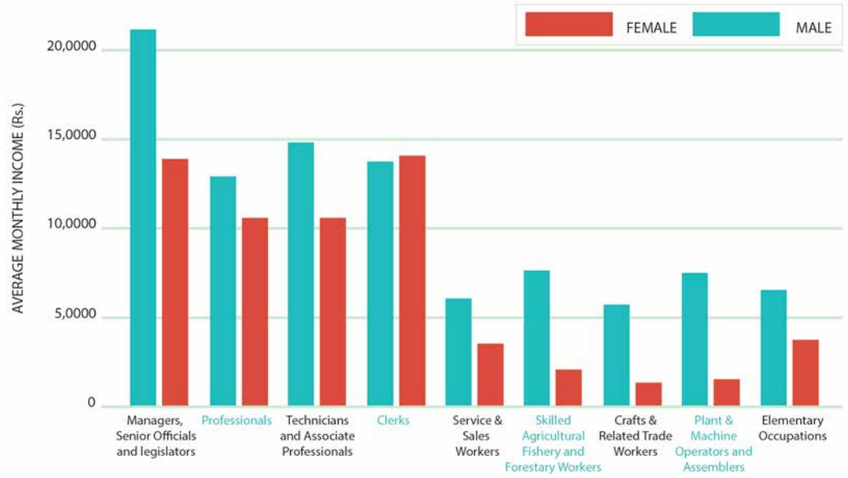
Source: Baseline Household Survey Non-In-Depth Sample
Note: Cell values represent row percentages

Table 4.2.5 Job Search Method by Employer Location (Urban Only)

4.3 Skills And Employment

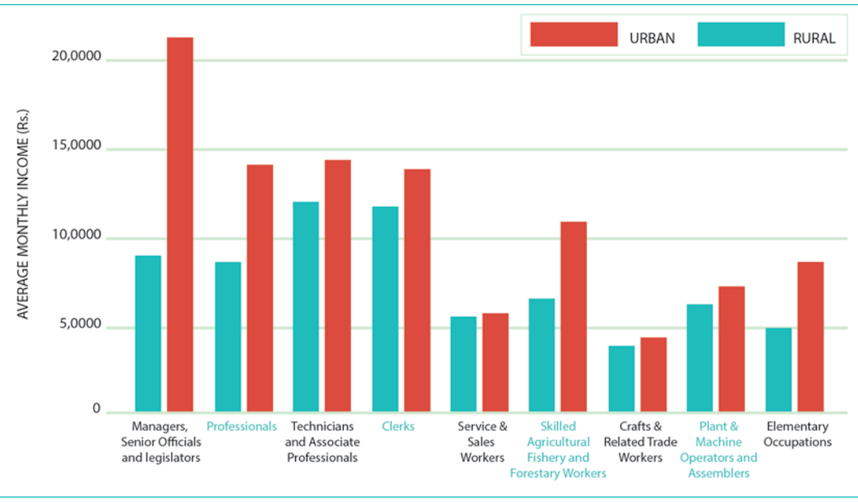
4.3.1 Earnings

We find that the labor market results in significantly higher monthly earnings for males relative to females, which points to the existence of a gender gap (Table 4.3.1). Another relevant finding is that, in the case of men, paid employment and self-employment result in higher monthly earning relative to daily wage labor.



Source: Baseline Household Survey Non-In-Depth Sample

Figure 4.3.1 Average Monthly Income by Occupation and Gender



Source: Baseline Household Survey Non-In-Depth Sample

Figure 4.3.2 Average Monthly Income by Rural/Urban

Labor Status	Male		Female		Total	
	Mean	N	Mean	N	Mean	N
Paid employment	9,562	***2487***	6718	***450***	9,126	***2937***
Unpaid employment	68	***486***	0	***122***	54	***608***
Apprenticeship	1303	***103***	1301	***19***	1,303	***122***
Daily wage labor	6,159	***2510***	4072	***2707***	5,076	***5217***
Self-employed	7,362	***4395***	1087	***567***	6,645	***4962***
Total	7,190	***9981***	3800	***3865***	6,243	***13846***

Source: Baseline Household Survey Non-In-Depth Sample

Table 4.3.1 Monthly Earnings by Employment Type and Gender

Figure 4.3.1 shows that this gender gap in earnings is also reflected in those occupations in which both men and women work.

While some occupations, like managers, professionals and technicians, are more rewarding for both genders, males typically earn higher in every category except elementary occupations. Unsurprisingly, on average, earnings are higher in urban as compared to rural areas (Figure 4.3.2).

5 TRAINING

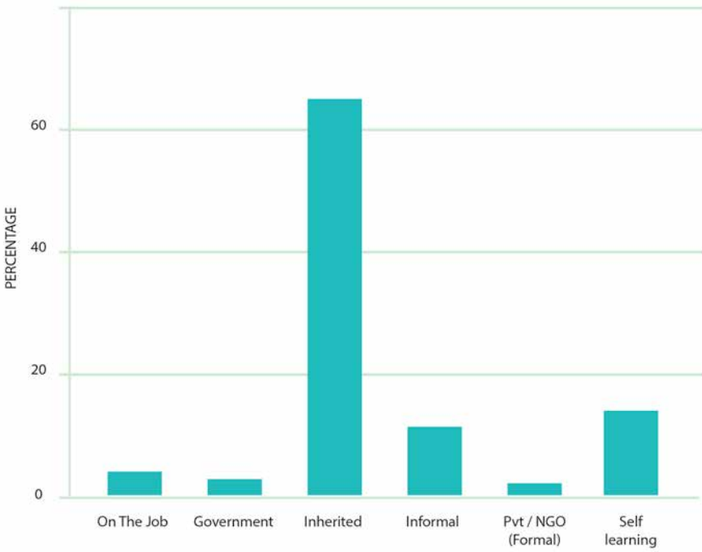
There are four main findings regarding the market for training that are important for intervention design:

- Public and private formal training providers serve an extremely small percentage of those currently acquiring skills. Skills are mostly inherited (i.e. taught by family members) or acquired through informal providers or self-learning. This implies that the base of training provision is extremely narrow at present and there may be gains associated with broadening and deepening the market for skill training.
- The low penetration of formal public and private sector training does not appear to be a consequence of low demand. A much greater proportion of those using public and private formal training providers and acquiring skills through on-the-job training rate them as useful or very useful compared to those inheriting skills or acquiring them through informal providers. This suggests that a demand exists for acquisition of skills through non-traditional and formal providers.
- The education qualifications required by formal training providers are acting as a barrier to entry by excluding a majority of potential male and female trainees. This suggests that the structure of supply is not adequately catering to demand with the mismatch being more acute for poor households and women.
- Providers of training do not offer any training in core skills even though these skills are highly correlated with income.
- Training providers have a preference for locating training centers in urban areas that is likely to create access problems for people from rural areas and small towns.
- There is limited capacity in the existing pool of training providers to supply skills relevant for agriculture and livestock that are in high demand in the program districts.

5.1 Who Is Providing Training

It is important to recognize that skills are being provided by a diverse set of entities that include formal and informal enterprises and firms and government, private and non-government training providers and households. In addition, some respondents suggest that they have acquired skills through self-learning. Figure 5.1.1 shows that the vast majority of individuals in the Program districts inherit skills from their households or acquire skills through self-learning. Public and private formal training providers serve an extremely small proportion of the skills transfer market as does on-the-job training. This suggests that the base of training provision is extremely narrow at present and there is a need to deepen the supply-side of the skills market.

Table 5.1.1 reports how skills are acquired by individuals engaged in different occupational groups. We find that skills related to agriculture and veterinary sectors are almost entirely inherited. The household remains the most important provider of skills for individuals engaged in craft and related trades; plant and machinery operators and also in the case of elementary occupations. The dominant modes of skills acquisition for service and sales workers are inheritance and self-learning. These occupational groups, which are the relevant occupation groups for PSDF programming, are currently underserved by on-the-job training and formal training providers in the pogram districts. This reinforces the need to deepen the supply-side of the skills training market.



Source: Baseline Household Survey Non-In-Depth Sample.

Figure 5.1.1 How Are Skills Acquired in PEOP Districts

How Skills Have Been Acquired	On the Job	Govt. Skills Program	Inherit	Informal Employer Trainer	Informal Specialized Trainer (unreg.)	Private/ NGO (Formal)	Learn Through Self-Practice	Formal Educ.	N
Defense force	61.4	24.3	1.4	0.0	0.0	0.0	5.7	7.1	***70***
Managers	23.3	13.3	13.3	3.3	0.0	0.0	30.0	16.7	***30***
Professionals	14.9	22.4	15.1	3.0	3.0	1.0	16.5	24.0	***763***
Technicians and associate professionals	32.8	16.0	7.6	7.6	4.6	1.5	24.4	5.3	***131***
Clerical support workers	31.9	11.9	7.0	1.8	4.9	3.3	28.9	10.3	***329***
Service and sales workers	7.0	1.5	38.3	6.2	2.8	0.4	43.7	0.2	***1,695***
Skilled agricultural, forestry and fishery workers	0.3	0.2	94.4	0.1	0.1	0.0	4.8	0.1	***3,907***
Craft and related trades workers	1.8	1.4	60.6	13.6	6.3	0.1	15.8	0.2	***4,817***
Plant and machine operators, and assemblers	2.8	1.3	61.0	13.8	4.5	0.3	15.9	0.3	***1,917***
Elementary occupations	4.6	0.1	71.1	2.2	1.1	0.0	20.7	0.2	***2,163***
N	***684***	***379***	***10,118***	***1,120***	***513***	***39***	***2,706***	***263***	***15,822***

Source: Baseline Household Survey Non-In-Depth Sample.

Table 5.1.1 How Skills were Acquired by Skill Type by Occupational Groups

5.2 Usefulness Of Training

The survey elicited respondents' assessment of the usefulness of the type of training that they have acquired. Table 5.2.1 presents these findings and shows that respondents view private and formal training in similar terms and give these modes a higher-ranking than skills acquisition through self-learning, inheritance and informal acquisition. For example, 82% view government training as "useful" or "very useful", compared to 75% holding the same view of family-based inherited training, 76% holding that view of informal training, and 88% holding that view of private training providers.There is a higher preference for on-the-job training, with 94% rating it as "useful" or "very useful." This suggests that respondents would likely avail themselves of formal training in greater numbers if it were available and that "on-the-job" training may yield particularly high uptake. Demand clearly exists for formal and on-the-job training in the program districts and there are favorable conditions for PSDF in their efforts to broaden the market for training.

Where Were Skills Acquired							
Usefulness	On The Job	Govt.	Inherited	Informal	Private/ NGO (Formal)	Self	Total
Not useful at all	0.1	1.2	1.6	2.9	1.6	2.6	1.8
Not useful	0.3	2.3	4.0	3.9	2.0	2.7	3.5
Indifferent	5.3	14.0	19.0	16.9	8.8	19.9	18.0
Useful	58.9	44.1	53.9	50.7	53.8	50.5	53.0
Very useful	35.4	38.4	21.5	25.6	33.8	24.3	23.7

Source: Baseline Household Survey Non-In-Depth Sample.

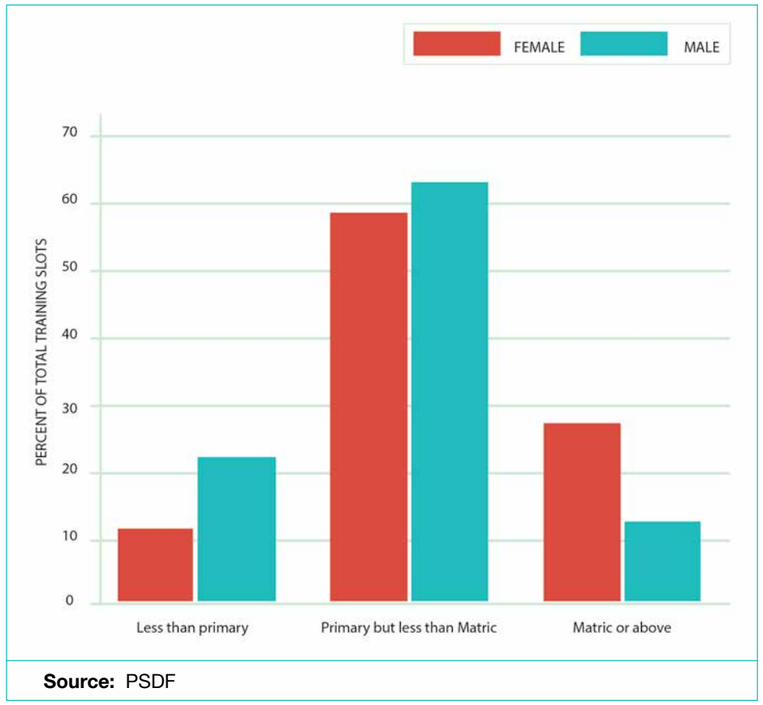
Table 5.2.1 Where Skills Were Acquired By Skills Usefulness

5.3 Supply-Demand Mismatches

5.3.1 Core Skills

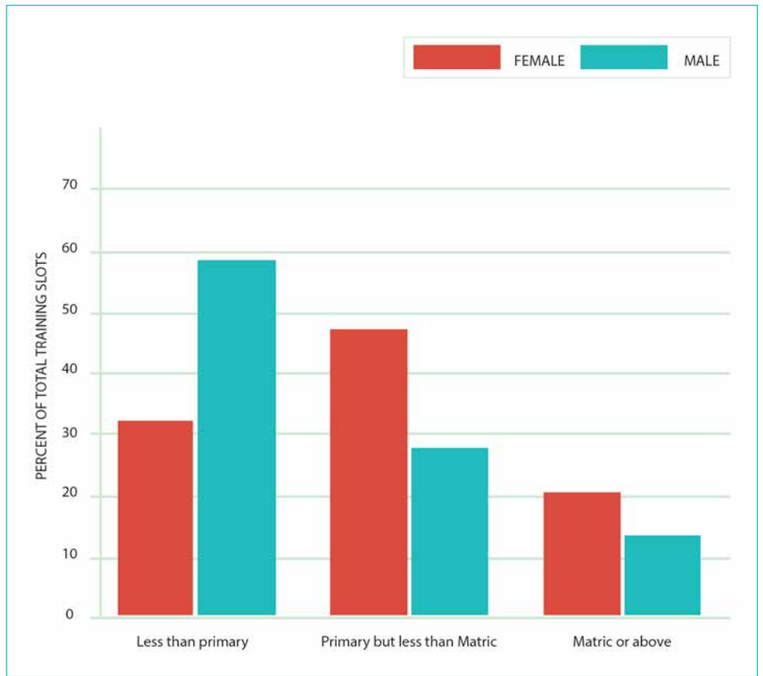
The current structure of training supply is creating two types of supply-demand mismatches in the training market. The first mismatch reflects the lack of compatibility between the minimum education qualifications required by formal training providers and the education profile of potential trainees. More than half of training positions funded by the Punjab Skills Development Fund[5] (PSDF) have primary education (or more) as a minimum requirement for training[6] (Figure 5.3.1). These education requirements represent significant barriers to entry. For instance, these would exclude over 55% of the males and 72% of females identified as potential trainees by our sample households (Figure 5.3.2).

[5] *THE DATA REFERS TO PSDF'S SKILLS FOR EMPLOYABILITY SCHEME.*
[6] *THE SAME IS EXPECTED TO BE TRUE, MORE GENERALLY, OF TRAINING PROVIDERS IN THE PROGRAM DISTRICTS AS THERE WAS A PAUCITY OF TRAINING CAPACITY IN THE FORMAL SECTOR BEFORE PSDF BECAME OPERATIONAL.*



Source: PSDF

Figure 5.3.1 Supply: Providers' Minimum Education Requirements for Trainees



Source: Baseline Household Survey Non-In-Depth Sample

Figure 5.3.2 Demand: Household Trainees' Education Profile

The second mismatch arises from the fact that trainers are not offering core skills training even though core skills are highly correlated with income (Figure 5.3.3) and are correlated with household welfare (see Section 3.6). PSDF has introduced training in core skills as part of the *Skills-for-Market* scheme.

5.3.2 Location

Table 5.3.1 provides information on the PSDF-supported skills providers' preferred location of training for courses offered as part of the *Skills-for-Employability* (SFE) scheme[7]. It shows that the SFE training providers had a strong preference for locating in urban areas. The concern is that this is likely to differentially increase the costs associated with accessing training for residents of rural areas and small towns and may reduce enrollment in the population of these areas. PSDF is attempting to address these location-related mismatches through their *Skills-for-Market* scheme.

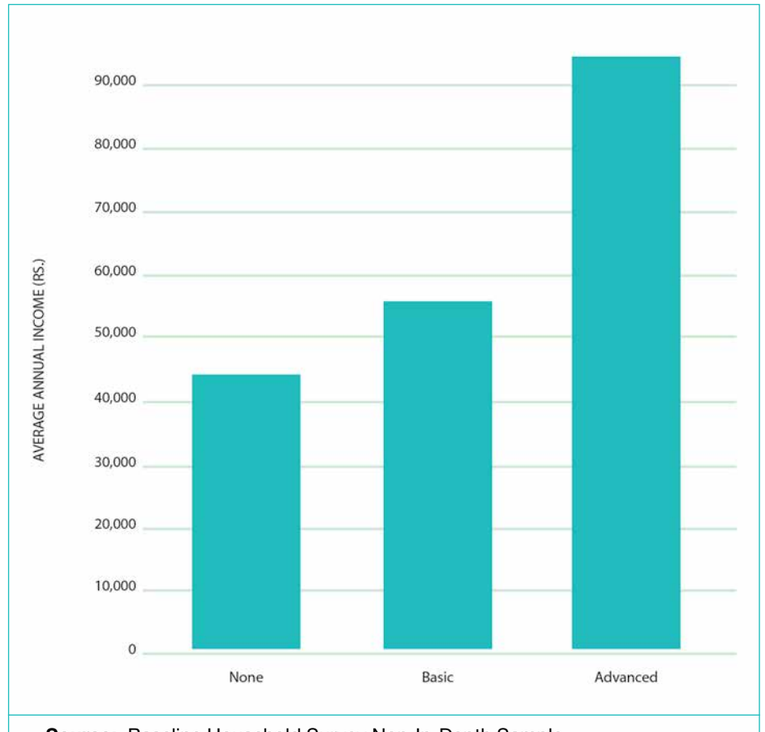
Gender	Male	Female	N
Rural	24.87	37.65	***109***
Urban	75.13	62.35	***246***
N	***193***	***162***	***355***

Source: PSDF
Note: Cell values represent column percentages

Table 5.3.1 Supply and Demand of Training Courses

5.3.3 Job-Specific Skills

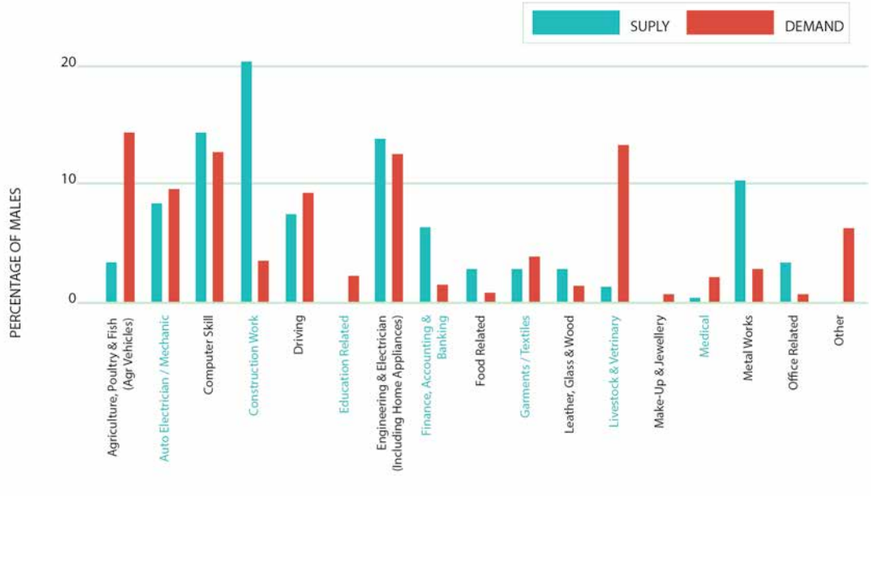
Figures 5.3.4 and 5.3.5 plot the distribution of job-specific skills that the male and female nominated members in our sample would like to acquire against the distribution of the supply of courses being offered as part of PSDF's *Skill-for-Job* (SFJ) scheme, which is one of the largest PSDF programs due to become operational in September 2012. We find that in the case of males the current menu is underserving the population engaged in agriculture and livestock. Discussion with PSDF suggests that the supply of providers equipped to service the livestock and agriculture sector is extremely restricted. This suggests that there is limited capacity in the existing pool of training providers to supply skills relevant for agricultural and livestock that are in high demand in the program districts. PSDF is working on addressing these mismatches by launching two new schemes, *Skills-for-Farms* and *Skills-for-Livestock*, that are focused on the agriculture and livestock sectors.



Source: Baseline Household Survey Non-In-Depth Sample

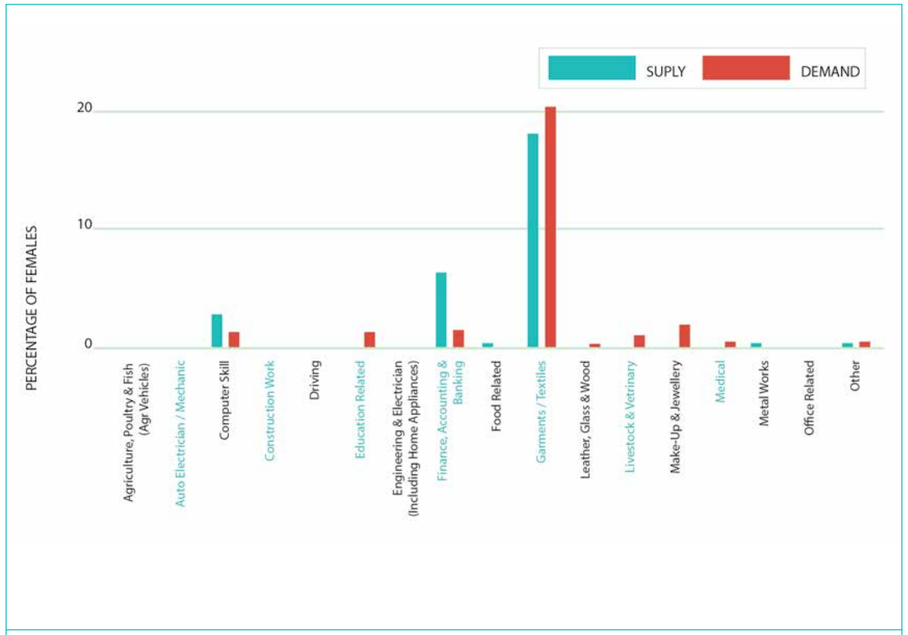
Figure 5.3.3 Average Annual Income by Core Skill Level (Excluding Day Laborers)

[7] *THIS SCHEME WAS ROLLED OUT DURING MID-DECEMBER 2011 TO MID-AUGUST 2012, EMPLOYED NEARLY 30 TRAINING SERVICE PROVIDERS AND WAS THE LARGEST SCHEME INITIATED BY PSDF IN THE FISCAL YEAR 2011-2012.*



Source: Baseline Household Survey Non-In-Depth Sample & PSDF

Figure 5.3.4 Supply and Demand of Training Courses (Males)



Source: Baseline Household Survey Non-In-Depth Sample and PSDF

Figure 5.3.5 Supply and Demand of Training Courses (Females)

6 DEMAND FOR SKILLS

In order to help design PEOP interventions the baseline survey sought to identify the profile of individuals that households would like to have trained, that is, the individuals likely to be the primary recipients of skill training. This section summarizes what we learned about these 'infra-marginals'.

The main findings are:

- The willingness to nominate household members for skills training is high. Over ninety-two percent of households indicated their willingness to nominate at least one male and female member for skills training. Furthermore, as a proportion of top nominees, ninety-six percent males and ninety-seventy percent women report wanting to acquire skills. This suggests that there is a healthy demand for training among the program districts' infra-marginal population and among their heads of households.
- Households are willing or extremely willing to send approximately two-thirds of the members they nominate for PSDF training during the coming year. Households point to a number of constraints such as loss of income of nominated member, costs of accessing training and the difficulty of freeing members from household obligations to explain the difference between their decision to nominate and their willingness to send the nominated member for training. The obstacles to accessing training are discussed in detail in section 7.
- Households are marginally less willing to send nominated females for PSDF-supported training during the next year relative to nominated males.
- Households are not basing their nomination decisions on the educational attainment of their nominees and appear to be placing a high weight on their employment status. In the case of males nearly three-fourth of nominees are drawn from those already working in the labor market, while between half and two-thirds of female nominees are drawn from the pool of unemployed who are looking for work.
- The most important reason for nominating males, reported by almost two-thirds of the respondents, is their perceived income earning potential.
- Perceived income earning potential remains the most important reason, given by nearly half the respondents, for nominating a female household member. However, another one-third are nominating women because of need and because they are considered the most talented member in the household..
- The demand for job-specific skills differs by gender and the types of skills demanded in rural areas are quite different from the skills wanted by urban residents.
- Those selected for training clearly expect substantial gains from acquiring core skills, suggesting that a demand for core skills may exist in the population.
- There are tremendous non-economic returns associated with the acquisition of core skills. We find that infra-marginals' core skills level is highly correlated with their degree of political engagement and their political rights and health status.

The implications of these findings for program design are as follows:

- There is demand for training among both males and females in the program districts whose perceived income earning potential is high. However, realizing this demand will require analyzing and addressing household level constraints.
- In the case of males, vocational training programs that are likely to inhibit household members from accessing training will need to be designed to cater to those already working. A large number of those nominated are working and not looking for other options and their demand will be for programs that are built around their existing employment.
- In the case of women, programs will need to cater to those unemployed and looking for work and therefore employability of women needs to be an important program outcome.
- Both male and female infra-marginals perceive substantial gains from acquiring core skills, which reinforces the case for including modules on core skills as part of the overall job-specific training.
- The case for core skills also needs to take into account their potential positive impact on non-economic outcomes that increase the 'capabilities' of individuals and allow them to better exercise critical rights associated with citizenship.

6.1 Who Are They?

The willingness to nominate members for skills training is high in our sample households. More than ninety-one percent of households nominated at least one household male and female member for training and around half of the sample households nominated two males or two females (Table 6.1.1). The most interesting fact is that the households do not show a significant gender bias while nominating members for training.

Gender	At least one Infra-Marginal member nominated for training	Two Infra-Marginal members nominated for training
Male	92.7	56.3
Female	91.4	47.6
Total	92.0	51.5

Source: Baseline Household Survey Non-In-Depth Sample.

Table 6.1.1 Percentages of Households That Nominated 1 or 2 Infra-Marginal Members

Further, we asked the households about their willingness to send nominated infra-marginals for PSDF-supported training during the next one year using a 5-point scale (Table 6.1.2). Households were willing or extremely willing to send around two-thirds of male and female infra-marginals for training during the next year. There is a slightly lower willingness to send nominated females relative to males. Households allude to a number of constraints related to loss of income, costs of accessing training and the difficulty of freeing members from household obligations to explain the difference between the percentage nominated and the percentage they are willing to send. Obstacles to accessing training faced by households are discussed in detail in Section 7.

Willingness to Send for Training	Male	Female
Extremely unwilling	2.4	3.5
Unwilling	7.4	11.6
Neutral	19.8	21.7
Willing	50.7	39.3
Extremely willing	19.7	24.0

Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 6.1.2 Percentage of Target Population Willing to Send Household Members for Training

Another important finding is that of those identified for training, households' willingness to send depends on the infra-marginals' employment status (Table 6.1.3). Families are willing or extremely willing to send a much higher proportion of men and women who are "working and looking" and students followed by the "unemployed and looking" compared to members belonging to other categories (see Table 6.1.3).

Willingness to Send for Training	Unemployed; Not Looking	Unemployed; Looking	Student	Working	Working; Looking
Extremely unwilling	8.9	2.8	1.6	4.0	2.3
Unwilling	17.4	10.6	4.8	12.5	7.2
Neutral	19.6	22.3	14.3	24.0	19.5
Willing	37.1	39.5	49.9	43.2	52.7
Extremely willing	17.0	24.8	29.5	16.3	18.3

Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 6.1.3 Employment Status and Willingness to Send Infra-Marginals for Training

We find that there are some interesting differences in the characteristics of individuals nominated for training and the average population in the region:

With respect to age, Table 6.1.4 below shows that households' nominated candidates for training are younger than the average household member. In the case of females the difference in mean age between the top infra-marginal and the average adult household member is five years.

Gender	Top Infra-Marginal	Second Infra-Marginal	All
Male	29.0	26.4	32.7
Female	26.9	25.3	31.9

Source: Baseline Household Survey Non-In-Depth Sample.

Table 6.1.4 Infra-Marginal Age vs Overall Average Age by Gender

However, we do not find much difference in education, with both male and female infra-marginals (household's preferred candidates for training) being only marginally better educated than the typical household member and there is an insignificant difference between the top and the second infra-marginal (Table 6.1.5).

Gender	Top Infra-Marginal	Second Infra-Marginal	All
Male	5.5	5.2	5.1
Female	3.7	3.7	3.2

Source: Baseline Household Survey Non-In-Depth Sample.

Table 6.1.5 Infra-Marginal Years of Schooling vs Whole Roster Average by Gender

We further cut the education data by age to compare average years of schooling within different age cohorts (Table 6.1.6). Top infra-marginal males and females in the 15-19 year old age bracket, for example, had 6.4 and 5 years of education on average, compared to 5.9 and 5 in general. In the 20-29 year old age bracket, top infra-marginals from the identified trainees were a bit less educated than the average household member in that age group but the differences are small. Overall, the evidence reveals no clear pattern that families are selecting their most educated members as the best candidates to receive training.

Households do, however, appear to be taking employment status into account when selecting trainees. Tables 6.1.7 and 6.1.8 show the proportion of individuals in each employment status for those identified as preferred trainees. We report the employment status of the top infra-marginal (Table 6.1.7) and of the top two infra-marginals (Table 6.1.8) separately in addition to reproducing the employment status in the general working age population (Table 6.1.9). The differences across genders are striking. In the case of males, household are placing a much higher weight on selecting members who are working but looking for jobs and students. A large fraction of the women identified as infra-marginals are the ones who reported themselves as being unemployed but looking for work. This is a natural implication of the high unemployment rate among women but what is significant is that a much larger fraction of the infra-marginals are actively looking to work as compared to women in the general population. Interestingly, households are systematically placing less weight on unemployed members who are not looking for a job. This suggests that households are sensibly selecting those for whom skill acquisition matches with their labor market aspirations.

Gender	Top Infra-Marginal	Second Infra-Marginal	All
Ages 10 to 14			
Male	4.3	4.0	4.1
Female	3.4	3.6	3.7
Ages 15 to 19			
Male	6.4	5.5	5.9
Female	5.0	4.8	5.0
Ages 20-29			
Male	5.9	6.3	6.2
Female	4.5	5.2	4.7
Ages 30-39			
Male	5.6	6.0	5.9
Female	2.8	2.3	2.7
Ages 40 +			
Male	4.0	3.6	3.8
Female	1.4	1.0	1.0

Source: Baseline Household Survey Non-In-Depth Sample.

Table 6.1.6 Infra-Marginal Years of Schooling vs Whole Roster Average by Gender & Age Groups

Employment Status	Rural		Urban	
	Male	Female	Male	Female
Unemployed and not looking	0.9	8.8	0.9	6.3
Unemployed but looking	7.3	58.1	7.4	62.4
Student	13.4	6.4	20.4	13.6
Working	41.3	10.6	41.4	7.9
Working but looking for other options	37.1	16.2	29.9	9.8

Source: Baseline Household Survey Non-In-Depth Sample.

Table 6.1.7 Employment Status by Rural/Urban (Top Infra-Marginal Only)

Employment Status	Rural		Urban	
	Male	Female	Male	Female
Unemployed and not looking	2.1	11.6	1.7	8.8
Unemployed but looking	7.4	53.5	7.4	56.3
Student	16.4	8.7	23.3	18.4
Working	40.4	10.7	40.2	7.7
Working but looking for other options	33.7	15.6	27.4	8.8

Source: Baseline Household Survey Non-In-Depth Sample.

Table 6.1.8 Employment Status by Rural/Urban (Top and Second Infra-Marginal Included)

For reference, employment among the general population is reported below (Table 6.1.9).

Employment Status	Rural		Urban	
	Male	Female	Male	Female
Unemployed and not looking	10.22	37.54	9.69	40.03
Unemployed but looking	5.09	37.74	5.3	36.92
Student	5.97	2.49	10.88	7.84
Working	51.18	11.01	53.25	9.48
Working but looking for other options	27.54	11.22	20.88	5.73

Source: Baseline Household Survey Non-In-Depth Sample.

Table 6.1.9 Employment Status by Gender & Rural/Urban (Working Age Population: Age>16 Years)

Tables D.1 and D.2 (Appendix D) provide additional demographic information for the inframarginals.

6.2 Why Are They Selected?

The survey directly asked respondents the specific reasons why households are choosing certain members for training. It turns out that the reasons vary dramatically by gender. Men are overwhelmingly chosen for their perceived earnings potential and while women are often chosen for the same reason; Table 6.2.1 shows households give a much broader set of reasons for selecting women.

Table 6.2.1 shows that perceived earnings potential is the main factor used to identify men. 68% of households identified it as the main reason as compared 44 % for identifying women. A relatively low percentage of male and females are identified because they are currently unemployed. Being most talented/skilled and being needy are the other significant reasons reported by households. The fact that most households are nominating members because of their earning potential and talent, suggests that households are taking labor market returns seriously when nominating members for training

Most Important Reason	Male	Female	Total
Highest income earning potential	67.73	43.68	55.53
Most needy	10.17	16.21	13.23
Most problematic	3.83	5.24	4.54
Most talented/skilled	10.39	15.75	13.11
Least talented/skilled	1.79	4.15	2.98
Currently unemployed	2.08	8.47	5.32
Most liked	4.02	6.26	5.15
Other	0	0.25	0.13

Source: Baseline Household Survey Non-In-Depth Sample.

Table 6.2.1 Most Important Reason by Gender

6.3 What Do They Want To Learn?

As highlighted in Section 3.5, people in the general population seem to want different job-specific skills depending on their employment status and gender. Table 6.3.1 therefore breaks down respondents' desired skills by gender and whether an individual is identified as a desired trainee. (Table C.1 of Appendix C provides a classification of skill categories that are used in this section).

Skills Would Like to Acquire	Male		Female	
	Top	Second	Top	Second
Finance, accounting & banking	1.58	1.88	0.26	0.50
Agriculture, poultry & fish (includes tractor driving)	14.46	14.67	0.48	0.62
Livestock rearing	13.45	11.72	4.14	4.30
Veterinary	0.48	0.56	0.01	0.00
Auto electrician/mechanic	9.75	9.51	0.01	0.00
Computer skill	12.59	13.54	4.65	5.89
Construction work	3.96	3.14	0.03	0.00
Metal works	3.20	2.61	0.00	0.06
Driving	10.11	7.26	0.09	0.12
Education related	1.86	3.73	3.91	6.61
Food related	0.92	0.95	0.58	0.72
Leather, glass & wood	1.51	1.60	1.10	1.40
Make-up & jewelry	0.82	0.76	7.45	6.89
Garments/textiles	4.16	3.70	74.02	68.31
Medical	1.91	3.14	1.75	2.99
Office related	0.70	1.04	0.02	0.16
Engineering & electrician (including home appliances)	12.44	13.15	0.02	0.06
Sales related	2.40	2.08	0.14	0.19
Other	3.69	4.96	1.33	1.18
N	***8973***	***4146***	***9219***	***3761***

Source: Baseline Household Survey Non-In-Depth Sample.
Note: Table includes all respondents of age 10 years or above (only the infra-marginal population).

Table 6.3.1 Skills Would Like to Acquire by Gender and Infra-Marginal Status

Table 6.3.1 reports that there are stark differences in the skills male and female nominated members would like to acquire. 14% of men want training in agriculture as opposed to 0.5% of women. On the other hand, 74.1% of women want training in garments and textiles compared to only 4.1% of men. The differences by gender reinforce the fact that because training optimized to target the unemployed will mostly benefit women, it must meet the demand for skills among the target group (for more details, please see Table D.3 in Appendix D)

The above pattern does not change if we analyze the data separately for rural and urban areas (Table 6.3.2). For more details, refer to Table D.4 in Appendix D.

Skills Would Like to Acquire	Rural		Urban	
	Top	Second	Top	Second
Finance, accounting & banking	0.58	0.86	1.61	2.00
Agriculture, poultry & fish (includes tractor driving)	9.42	10.40	2.76	2.89
Livestock rearing	11.27	10.53	3.12	3.21
Veterinary	0.32	0.35	0.07	0.19
Auto electrician/mechanic	4.83	4.84	4.65	5.35
Computer skill	5.91	7.89	14.22	14.29
Construction work	2.13	1.84	1.57	1.26
Metal works	1.23	1.15	2.29	1.95
Driving	4.94	3.80	5.11	4.05
Education related	1.99	3.89	4.91	7.68
Food related	0.55	0.69	1.17	1.16
Leather, glass & wood	1.22	1.47	1.48	1.58
Make-up & jewelry	2.28	2.38	8.37	6.42
Garments/textiles	42.91	37.38	33.23	27.69
Medical	1.46	2.14	2.63	5.07
Office related	0.23	0.50	0.61	0.88
Engineering & electrician (including home appliances)	5.67	6.20	7.02	8.56
Sales related	1.04	1.02	1.70	1.54
Other	2.02	2.68	3.48	4.23
N	***12456***	***5419***	***5736***	***2488***

Source: Baseline Household Survey Non-In-Depth Sample.

Table 6.3.2 Skills Would Like to Acquire by Rural/Urban and Infra-Marginal Status

The big difference between rural and urban areas is in the type of skills infra-marginals would like to acquire (Table 6.3.2). In rural areas, there is greater demand for skills related to agriculture, livestock and garments and textiles with over half the respondents reporting that they would like to acquire skills related to these activities. Demand for job-specific skills in urban areas is relatively less concentrated across type of activities with higher demand for a range of non-agricultural and non-livestock related skills compared to rural areas.

6.4 Expected Returns From Skills

Those selected for training clearly expect substantial gains from acquiring skills. The baseline survey measured those expected returns in two ways. First, we assessed how much respondents believed the wage premium was between a gender-appropriate low-skilled job (laborer) and a gender-appropriate high-skilled job (nurse or auto-mechanic). Table 6.4.1 highlights the differences, showing the expected monthly wages from high and low-skilled jobs pooled across gender, broken-down by employment status and education. The expected wage premium for the high-skilled job is generally increasing in respondents' education levels and is generally highest among those who are unemployed and looking for work. This is a promising result as it suggests those who are currently unemployed and looking for work may be the most enthusiastic about the increases in earnings they may get if trained.

Education level	Earning on Low Skill Job (Rs.)	Earning on High Skill Job (Rs.)	N
Unemployed and Not Looking			
No formal	4,661	16,069	***487***
Class 1 to 5	5,528	15,692	***146***
Class 6 to 8	6,037	17,003	***63***
Class 9 to 10	5,430	18,281	***66***
Greater than 10	6,317	24,091	***33***
Unemployed but Looking			
No formal	5,163	12,298	***3115***
Class 1 to 5	5,890	14,924	***1094***
Class 6 to 8	6,038	15,837	***631***
Class 9 to 10	6,289	17,479	***641***
Greater than 10	7,191	21,482	***472***
Student			
No formal	6,032	16,706	***45***
Class 1 to 5	5,928	17,458	***241***
Class 6 to 8	6,677	17,699	***368***
Class 9 to 10	7,185	16,896	***591***
Greater than 10	7,580	17,961	***478***
Working			
No formal	6,050	15,853	***1821***
Class 1 to 5	6,716	16,513	***1014***
Class 6 to 8	7,102	16,375	***679***
Class 9 to 10	7,116	16,820	***546***
Greater than 10	8,008	19,277	***441***
Working but Looking			
No formal	5,465	14,749	***2076***
Class 1 to 5	6,695	15,861	***976***
Class 6 to 8	6,879	16,167	***575***
Class 9 to 10	6,956	16,498	***444***
Greater than 10	7,421	19,114	***262***

Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 6.4.1 Average Expected Earnings by Employment Status and Education

The second way we assessed returns to skills in the baseline survey is by asking respondents how much they could make on average in a month given different levels of core skills. Table 6.4.2 summarizes these results. Respondents clearly believe that acquiring core skills is rewarded in the labor market and this is true across education levels and employment status[8].

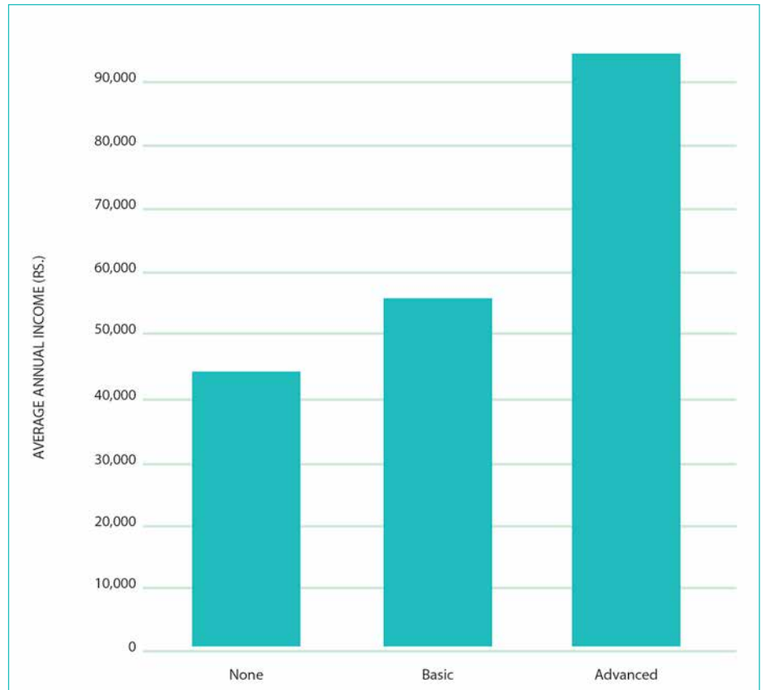
[8] *DETAILED RESULTS AVAILABLE UPON REQUEST.*

Gender	Standard	Non-Standard
Advanced		
Male	17,899	17,317
Female	12,398	10,682
Basic		
Male	9,404	8,890
Female	6,419	5,609
None		
Male	5,380	5,085
Female	2,973	2,678

Source: Baseline Household Survey Non-In-Depth Phase I Sample.
Note: Cell values represent Rupees.

Table 6.4.2 Average Expected Returns to Skills by Gender

In fact, we find that our respondents' perception about returns associated with core skills matches reality extremely well. Figure 6.4.1 shows that core skills are highly correlated with average annual income and the income of respondents reporting basic levels is much higher than those reporting no core skills.



Source: Baseline Household Survey Non-In-Depth Sample.

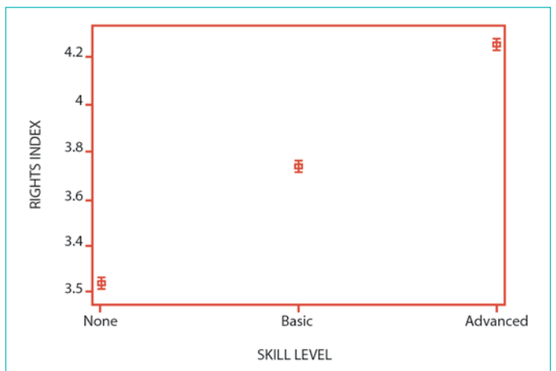
Figure 6.4.1 Average Annual Income by Skill (Excluding Day laborers)

6.5 Non-Economic Returns

We find that acquisition of core skills is highly correlated with non-economic outcomes that include the degree of political engagement, the ability to exercise political rights and health status. The level of core skills is highly correlated with an index of political engagement (Figure 6.5.1) and with an index of political rights (Figure 6.5.2).

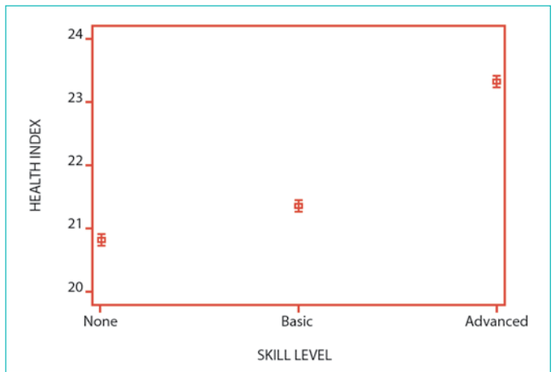
Source: Baseline Household Survey Non-In-Depth Sample.

Figure 6.5.1 Political Involvement by Skill



Source: Baseline Household Survey Non-In-Depth Sample.

Figure 6.5.2 Political Rights by Skill

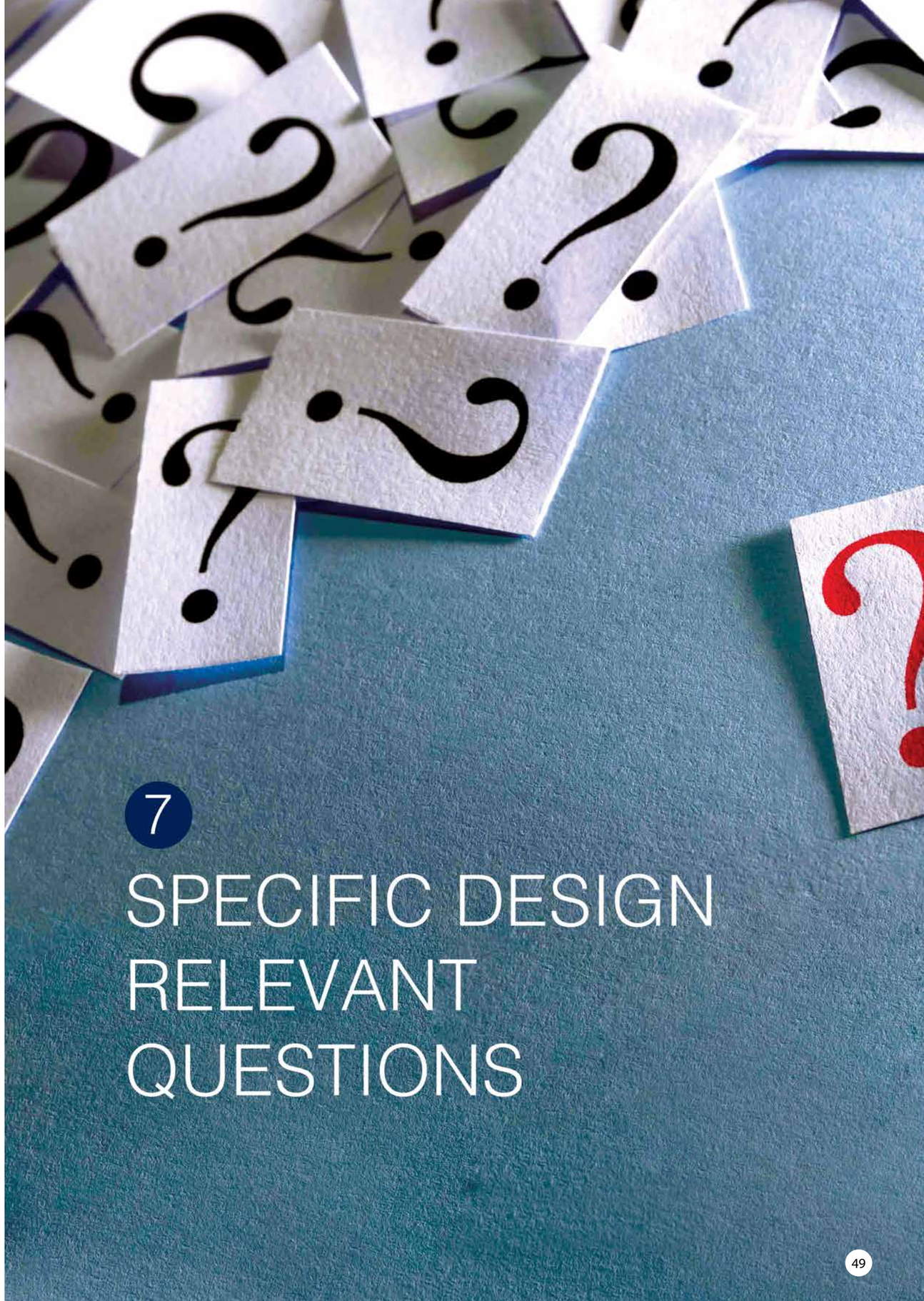


Source: Baseline Household Survey Non-In-Depth Sample.

Figure 6.5.3 Health Status by Skill

This suggests that core skills impact political aspects of citizenship and can help strengthen democratic engagement.

Core skills are also highly correlated with health (Figure 6.5.3) and have tremendous potential to enhance the 'capability set' of individuals. Design of core skills interventions need to take into account the impact on non-economic returns.



7

SPECIFIC DESIGN RELEVANT QUESTIONS

The preceding sections have provided a body of evidence that provides a number of insights that are relevant for program design. The analysis in this section uses the survey data to diagnose specific questions that are relevant for design, specifically:

1. What are the gaps between core skills people think they need for different jobs and what they have;
2. What are the perceived obstacles to acquiring skills and accessing training and what type of support do people want to help them overcome these obstacles;
3. What are the perceived obstacles to getting jobs and what kind of help do people need; and
4. If PEOP wants to get high utilization of programming, how much do people need to be compensated to make up for the lost income from sending a working family member to get additional training?

The main findings of this section that are important for design include:

- PSDF-supported training programs must be designed to address the gap in the possession of core skills because our respondents see the possession of these skills as an important determinant of success in both the high and low-skill labor market. The case for core skills is strengthened by the large skills gap that exists between the perceived need for these skills and the level of skills possessed by the infra-marginal respondents, especially those from the poorest and most vulnerable households.
- Program design must build in adequate financial incentives (vouchers or stipends) in order to ensure that potential trainees from the population of poor and vulnerable are willing to enroll. The case for financial incentives is based on three findings. First, households consider the opportunity cost for training (forgone wages) to be high in the case of working males who constitute a majority of the nominated male members. The implication is that households will only realize their demand for training if they are compensated for forgone wages of these members. Second, one-fourth of the respondents report financial support as the best form of support that can help them overcome the obstacles to training. Finally, households' decision to send infra-marginals for training is extremely sensitive to the stipend amount that is offered. A stipend of Rs.1,500 per month only attracts eleven percent of the male infra-marginal population and doubling this amount increases the pool of potential trainees to eighty-eight percent of the male infra-marginal population[9].
- Effective program design must address location-related constraints in order to enable households to realize their demand for training. We suggest this because transport costs are identified as a significant obstacle by between two-thirds and three-fourths of the households outside the major cities. Furthermore, in the case of both genders domestic household obligations represent a significant obstacle to accessing training. Bringing training closer to the household can help alleviate this obstacle as it will reduce the time spent away from home.
- Effective program design will need to build in guidance, counseling and mentoring as these soft interventions are identified as an important source of support by almost twenty-eight percent of respondents.
- Increasing returns to jobs, especially for males, will require supporting job placement interventions. Better connections are cited as the most important sources of support for finding low-skill jobs by over forty-five percent of our male respondents. This is not surprising given how narrow job placement networks are in the program district.

7.1 Gap In Core Skills

This section provides evidence on the skills gap related to core skills. We define the skills gap as the gap between the core skills people believe are required for a range of jobs and the level of core skills infra-marginals (people nominated by households as candidates for training) currently have. As a starting point, we assessed the standard and non-standard core skills that infra-marginal respondents believed were necessary for a range of jobs. Table 7.1.1 reports on the proportion of male and female respondents who believe different core skills are required for a range of jobs of varying skills, from seamstress (low-skill) to nurse (high skill) for women, from laborer (low-skill) to auto-mechanic (high-skill) for men, and for both genders we additionally asked about shopkeepers (medium skill) and politicians (high-skills).

[9] A SIMILAR RESULT HOLDS FOR FEMALES.

Skills	Male				Female			
	None	Basic	Advance	N	None	Basic	Advance	N
	Laborer				*Seamstress*			
Standard skills	17.8	77.9	4.4	***4942***	10.5	78.8	10.8	***5200***
Non-standard skills	33.1	58.4	8.5	***4942***	13.9	69.6	16.5	***5200***
	Tradesman				*Artisan*			
Standard skills	1.3	49.9	48.9	***4942***	10.6	48.9	40.6	***5200***
Non-standard skills	2.7	47.1	50.2	***4942***	10.8	43.9	45.4	***5200***
	Engineer				*Nurse*			
Standard skills	2.3	3.2	94.6	***4942***	2.1	2.9	95.0	***5200***
Non-standard skills	2.1	3.2	94.7	***4942***	2.4	3.0	94.6	***5200***

Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 7.1.1 Core Skill Requirement for Different Jobs by Job Type

Skills	Male			Female		
	Less	More	N	Less	More	N
	Laborer			*Seamstress*		
Standard skills	15.0	37.9	***4942***	41.4	23.8	***5200***
Non-standard skills	20.9	36.8	***4942***	47.2	19.7	***5200***
	Tradesman			*Artisan*		
Standard skills	41.6	16.0	***4942***	50.8	16.1	***5200***
Non-standard skills	49.7	14.0	***4942***	57.1	12.8	***5200***
	Engineer			*Nurse*		
Standard skills	65.4	2.9	***4942***	73.4	2.0	***5200***
Non-standard skills	69.5	2.6	***4942***	78.1	1.6	***5200***

Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 7.1.2 Self-Assessment Against Perceived Job Skill Requirements

Three patterns in these data bear emphasis. Unsurprisingly, infra-marginal respondents clearly believe that jobs which are traditionally considered high-skill require high levels of core skills. What is surprising though is that large proportions of these respondents believe some core skills are required for even the most basic jobs. Seventy-eight percent of men believe that even laborers must have basic standard skills. Almost seventy-nine percent of women believe that being a seamstress requires basic standard skills. Third, the less measurable non-standard skills such as creativity and planning are, for the most part, considered as important for jobs as standard skills. The PEOP target population clearly believes that having basic level of core skills is an important determinant of success in the low-skill labor market.

These data, of course, beg the question of what core skills the infra-marginal respondents think they possess. Table 7.1.2 reports our assessment of these skill gaps, showing the proportion of respondents who self-report lower (or higher) levels of core skills than they believe these example jobs require. The findings are somewhat distressing. 41.4% of females identified by heads of households as their preferred recipient of training believe they lack the standard core skills to be a seamstress. Over 15% of male infra-marginals believe they lack the skills required of a laborer and 42% believe they lack the skills required of a tradesman. It is important to note that the assessment of the skills gap presented here supports the analysis of the deficit in core skills presented in Section 3.6. As we might expect, these gaps are smaller for those from higher earning households. Table 7.1.3 reports the skill gaps by consumption quartile for the shopkeeper occupation that was asked of both genders. The proportion self-reporting as lacking the core skills required of a shopkeeper drops from roughly 54% in the bottom quartile to approximately 35% in the top quartile, a 19% reduction. This suggests that the lack of core skills is, especially, acute among the population of poor and vulnerable i.e., PEOP's target population.

Skills	Male & Female		
	Less	Equal	More
Quartile 1			
Standard	53.7	36.7	9.6
Non-standard	52.4	37.5	10.1
Quartile 2			
Standard	47.3	38.5	14.2
Non-standard	47.5	38.9	13.7
Quartile 3			
Standard	43.1	40.0	16.9
Non-standard	43.8	39.8	16.3
Quartile 4			
Standard	35.3	40.1	24.6
Non-standard	36.7	39.9	23.4

Source: Baseline Household Survey Non-In-Depth Sample.

Table 7.1.3 Family Assessment Against Perceived Job Skill Requirements for Shopkeeper

The implication of these patterns is that training in core skills could have a particularly large impact on the employment prospects of the poorest households in the PEOP region. Therefore, effective program design must aim to fill this large gap in core skills in the infra-marginal population by imparting these skills as a core component of training. This is especially important because the possession of core skills is seen as an important determinant of success in the labor market.

7.2 Perceived Obstacles To Skills

We sought to discern obstacles to skills acquisition by asking respondents to state their top obstacles to skills acquisition. Table 7.2.1 shows the self-reported barriers to skills acquisition for basic and advanced levels of core skills by gender. The key findings are that:

1. Lack of knowledge is reported as a substantial barrier, nearly a third of male and female respondents identify it as a barrier to skills acquisition.
2. Lack of money is a substantial barrier, roughly one-fourth of infra-marginal respondents identify it as a barrier to acquiring both levels of skills.
3. Lack of ability is also seen as a problem by roughly eighteen to twenty percent of both men and women.
4. Family constraints are an issue for roughly 10% of men and 18% of women.

Respondents have clear ideas about the type of help they need to overcome these obstacles. Table 7.2.2 reports the infra-marginal respondents' views on what could be done to help them overcome the obstacles they identified. The main findings about sources of support are:

- About one-fourth of respondents identified financial assistance as the most important source of support

Top 5 Obstacles to Skills	Standard	Non-Standard
Males		
Lack of money	25.0	26.0
Lack of knowledge	34.1	32.1
Lack of networks	10.1	9.8
Lack of ability	18.4	18.9
Family constraints	9.9	10.9
Females		
Lack of money	19.9	20.4
Lack of knowledge	32.2	32.0
Lack of networks	7.7	7.1
Lack of ability	20.0	21.2
Family constraints	17.2	17.3

Source: Baseline Household Survey Non-In-Depth Sample.
Note: Cell values represent column percentages

Table 7.2.1 Obstacles to Skill Acquisition by Core Skill Type and Gender

Top 3 Supports for Skills	Standard	Non-Standard
Males		
Financial	24.0	26.3
Educational/direct provision of training	41.0	38.2
Family encouragement and personal guidance/mentoring	21.6	23.3
Females		
Financial	21.8	21.2
Educational/direct provision of training	36.1	34.9
Family encouragement and personal guidance/mentoring	29.7	31.6

Source: Baseline Household Survey Non-In-Depth Sample.
Note: Cell values represent column percentages

Table 7.2.2 Best Support for Skill Acquisition by Core Skill Type and Gender

- More than a third of the respondents identified education and training as the most important source of support.
- Somewhat surprisingly, substantial numbers of men and women (roughly 21-30%) identified softer interventions as being useful, including: encouraging families to support training and providing personal guidance and mentoring. This suggests the potential for complementing skills training with non-traditional interventions, which can help individuals navigate the market for acquiring skills, may have substantial scope for enhancing labor market performance in the PEOP region.

We also asked the household head to rank (on a 5-point scale from extremely low to extremely high obstacle) the extent to which "loss of income (of their nominated member) while getting training;" "inability to attend to domestic responsibilities" and "transport costs" were obstacles to accessing free training provided by PSDF. An important finding is that loss of income was rated as a significant (moderate to extremely high) obstacle by approximately 57% of households in the case of male nominated members (Table 7.2.3). As expected, loss of income was not identified as a significant obstacle in the case of female nominees.

Loss of Income as an Obstacle	Male	Female
Extremely low obstacle	25.0	68.0
Low obstacle	17.8	12.4
Medium obstacle	16.1	8.8
High obstacle	28.6	7.0
Extremely high obstacle	12.6	3.9

Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 7.2.3 Loss of Income as an Obstacle for Training by Gender

More importantly, loss of income was considered a significant obstacle by two-thirds of households whose nominated member was working or working and looking in the labor market (Table 7.2.4). The fact that 80% of male infra-marginals are working (Section 6.1) suggests that there is a high opportunity cost associated with sending male members for training. This would suggest that there is a strong likelihood that expressed demand for training male nominees may not be realized by households unless they are adequately compensated for forgone income during the period of training.

Loss of Income as an Obstacle	Unemployed; Not Looking	Unemployed; Looking	Student	Working	Working; Looking
Extremely low obstacle	75.5	70.4	68.0	17.0	17.9
Low obstacle	9.8	12.3	17.4	17.3	17.4
Medium obstacle	5.4	8.8	9.7	16.0	17.5
High obstacle	4.9	5.9	4.0	34.5	32.0
Extremely high obstacle	4.5	2.8	0.9	15.2	15.3

Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 7.2.4 Loss of Income as an Obstacle for Training by Employment Status

We also find that between two-thirds and three-fourths of households report transport costs to be a significant obstacle outside major cities (Table 7.2.5). This suggests that removing location-related constraints have the potential to help households realize stated demand for training.

Transport Cost as an Obstacle	Large Village	Major City[10]	Rural	Urban
Extremely low obstacle	11.1	46.0	14.5	14.6
Low obstacle	14.4	20.7	17.6	19.4
Medium obstacle	20.6	13.5	23.7	24.0
High obstacle	27.1	9.0	25.0	24.1
Extremely high obstacle	26.8	10.8	19.1	17.9

Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 7.2.5 Transport Cost as an Obstacle for Training

We asked household to rank the extent to "which the inability to attend domestic work" was an obstacle to accessing training under two types of training scenarios:

a. Type 1: Training is non-local and requires the trainee to be away from home

b. Type 2: Training is local and requires the trainee to be away for shorter periods

The results are given in Tables 7.2.6 and 7.2.7. The inability to attend to domestic work is reported as a significant obstacle to training for non-local training by two-thirds of the respondents and it is an equally binding constraint in the case of women. What is extremely interesting is that the proportion of households reporting this as a significant obstacle drops by 21% when we compare the responses for non-local and local training. In the case of female members the number of households reporting domestic work as a low or extremely low obstacle increases from 38% in the case of non-local training to 53% in the case of local training, which suggests that providing local training is an important part of the solution for the problems related to access.

[10] MAJOR CITY IS ONLY BAHAWALPUR CITY.

Detraction from Domestic Work	Male	
	Type 1	Type 2
Extremely low obstacle	13.6	29.2
Low obstacle	15.4	26.8
Medium obstacle	12.7	17.6
High obstacle	21.8	18.2
Extremely high obstacle	36.5	8.3

Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 7.2.6 Inability to Attend Domestic Work as an Obstacle to Training (% Male Respondents)

Detraction from Domestic Work	Female	
	Type 1	Type 2
Extremely low obstacle	18.3	27.4
Low obstacle	20.2	25.5
Medium obstacle	20.8	24.6
High obstacle	26.2	15.9
Extremely high obstacle	14.6	6.6

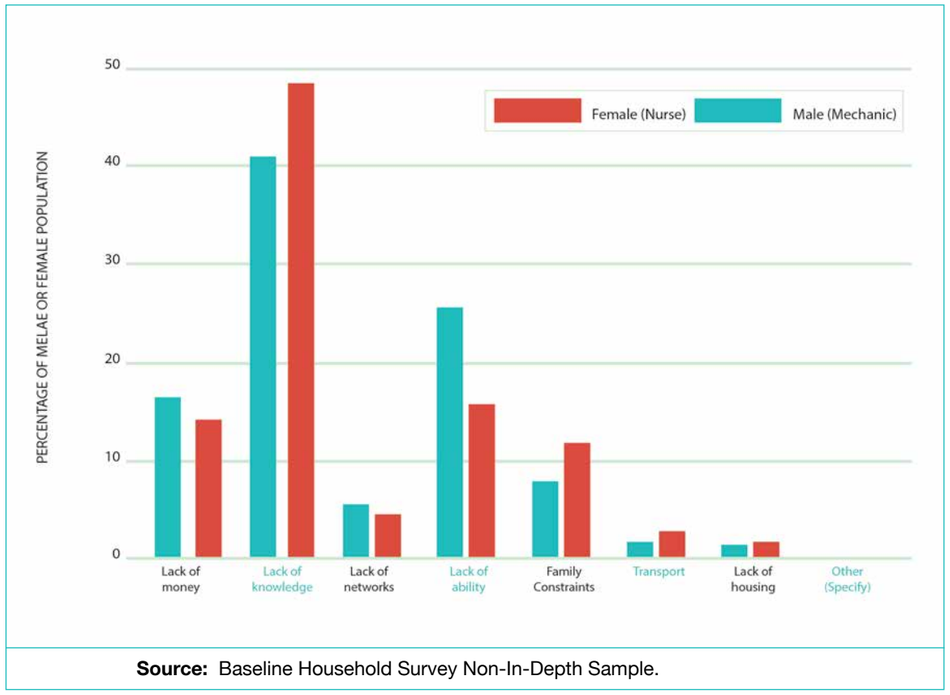
Source: Baseline Household Survey Non-In-Depth Phase II Sample.

Table 7.2.7 Inability to Attend Domestic Work as an Obstacle to Training (% Female Respondents)

7.3 Obstacles To Jobs

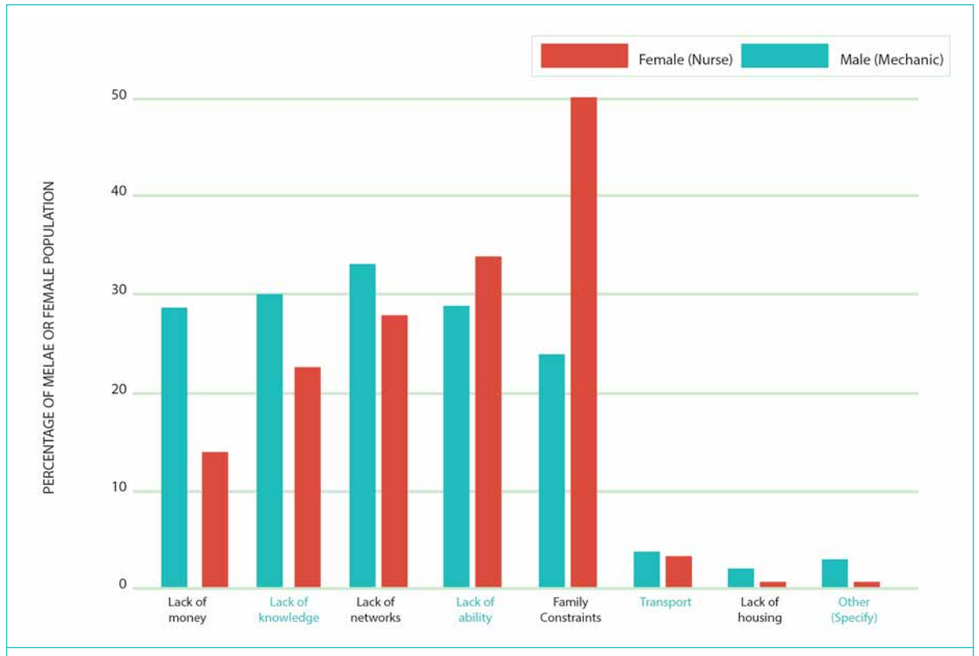
We also asked households' to state their top obstacles to finding work, using the same gender-appropriate high and low-skill jobs as examples (i.e. nurse, engineer, seamstress, and laborer). Figures 7.3.1 and 7.3.2 highlight the following results:

- For high-skilled jobs, lack of knowledge is the dominant obstacle cited, as it should be in a well-functioning labor market
- For low-skill jobs, approximately one-third of women report family constraints to be the main obstacle followed by lack of ability and lack of networks
- Among men, lack of networks knowledge and money are the most important obstacles to finding jobs



Source: Baseline Household Survey Non-In-Depth Sample.

Figure 7.3.1 Obstacles to Job on High-Skill Job by Gender

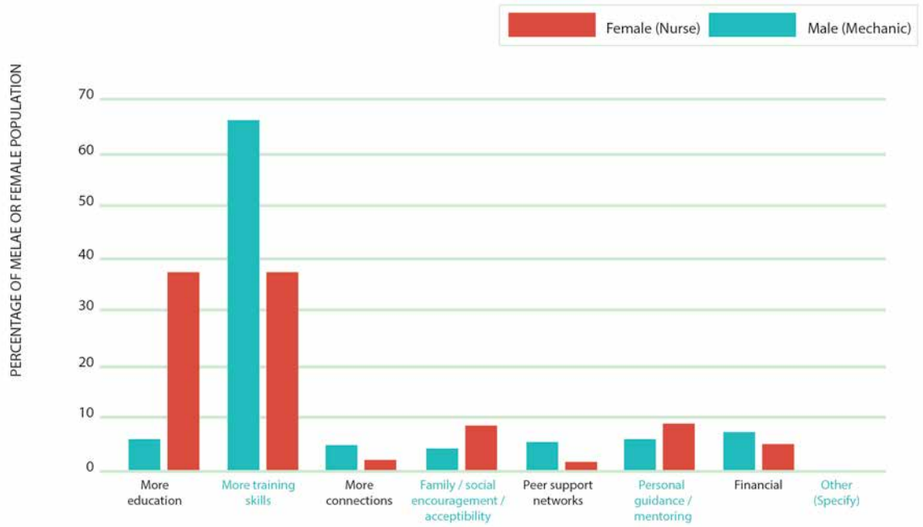


Source: Baseline Household Survey Non-In-Depth Sample.

Figure 7.3.2 Obstacles to Job on Low-Skill Job by Gender

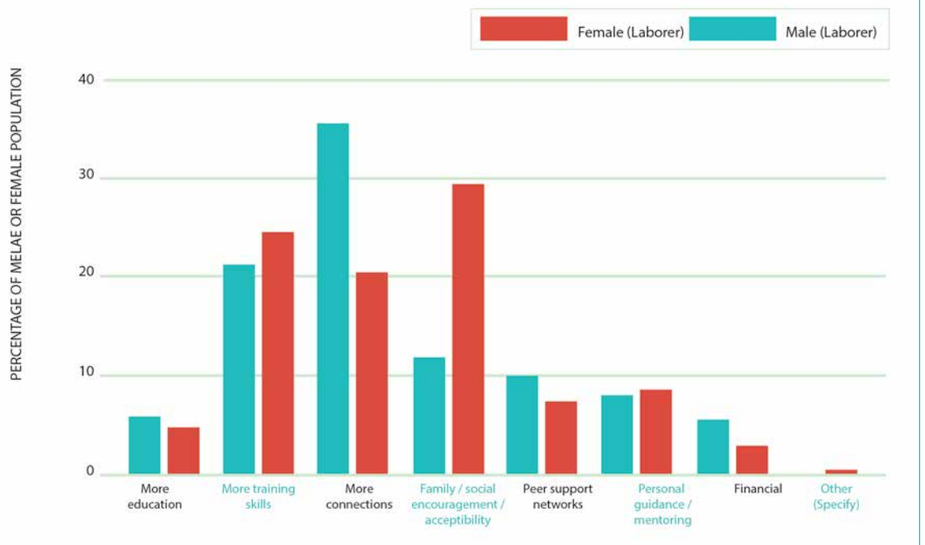
As we might expect, given these differences in perceived obstacles for low-skilled jobs, beliefs about the best support to getting jobs for men and women differs. Figures 7.3.3 and 7.3.4 report our respondents' view about the best support to getting high-skill and low-skill jobs, respectively. The following findings are important for design:

- Unsurprisingly, more training is considered the best source of support for high-skill jobs by both our male and female respondents
- More than thirty-five percent of males consider "more connections" as the best source of support for low-skill jobs highlighting the constraints associated with narrow job search networks. This suggests that, at least in the case of males, there may be large gains associated with setting up job placement interventions
- Women, by contrast, overwhelmingly cite "family and social encouragement" as the key support required to attain a low-skilled job



Source: Baseline Household Survey Non-In-Depth Sample.

Figure 7.3.3 Best Support to High-Skill Jobs by Gender



Source: Baseline Household Survey Non-In-Depth Sample.

Figure 7.3.4 Best Support to Low-Skill Jobs by Gender

7.4 Getting People To Attend Training

An issue implicit in the fact that few of the infra-marginal men in our sample are unemployed and looking for work is that if receiving training imposes substantial burdens on households, then getting people to attend may require providing some kind of stipend. The baseline survey therefore accessed how the expressed willingness to send individuals to training varies as the amount of the stipend offered to them changes. Table 7.4.1 and Table 7.4.2 show the result, identifying the proportion of the infra-marginals who would be sent for training given varying levels of stipend. When the stipend is only 1500 Rs./month, only eleven percent of the households are willing to send the inframarginal male nominees for training (Table 7.4.1). Interestingly, households are willing to send almost eighteen percent of women nominees for training at this stipend, which indicate the lower opportunity cost of training for women (Table 7.4.2). Doubling the amount of the stipend takes these proportions to approximately eighty-eight percent for men and ninety percent for women. This suggests that the Rs. 3000 per month stipend will make the program much more inclusive and that an adequate stipend amount needs to be given to maximize the uptake of the training programs supported by PSDF.

Willingness to Send for Training				
Stipend Amount	Poor	Vulnerable	Non-poor Non-vulnerable	Total
Rs. 1,500	0.11	0.10	0.12	0.11
Rs. 2,000	0.26	0.26	0.23	0.25
Rs. 3,000	0.88	0.89	0.83	0.88

Source: Baseline Household Survey Non-In-Depth Sample.
Note: Cell values represent percentage respondents.

Table 7.4.1 Willingness to Send Selected Individual for Training by Stipend Amount (Male)

Willingness to Send for Training				
Stipend Amount	Poor	Vulnerable	Non-poor Non-vulnerable	Total
Rs. 1,500	0.19	0.18	0.19	0.18
Rs. 2,000	0.40	0.35	0.36	0.37
Rs. 3,000	0.92	0.90	0.86	0.90

Source: Baseline Household Survey Non-In-Depth Sample.
Note: Cell values represent percentage respondents.

Table 7.4.2 Willingness to Send Selected Individual for Training by Stipend Amount (Female)

Appendix A: Survey Status Report

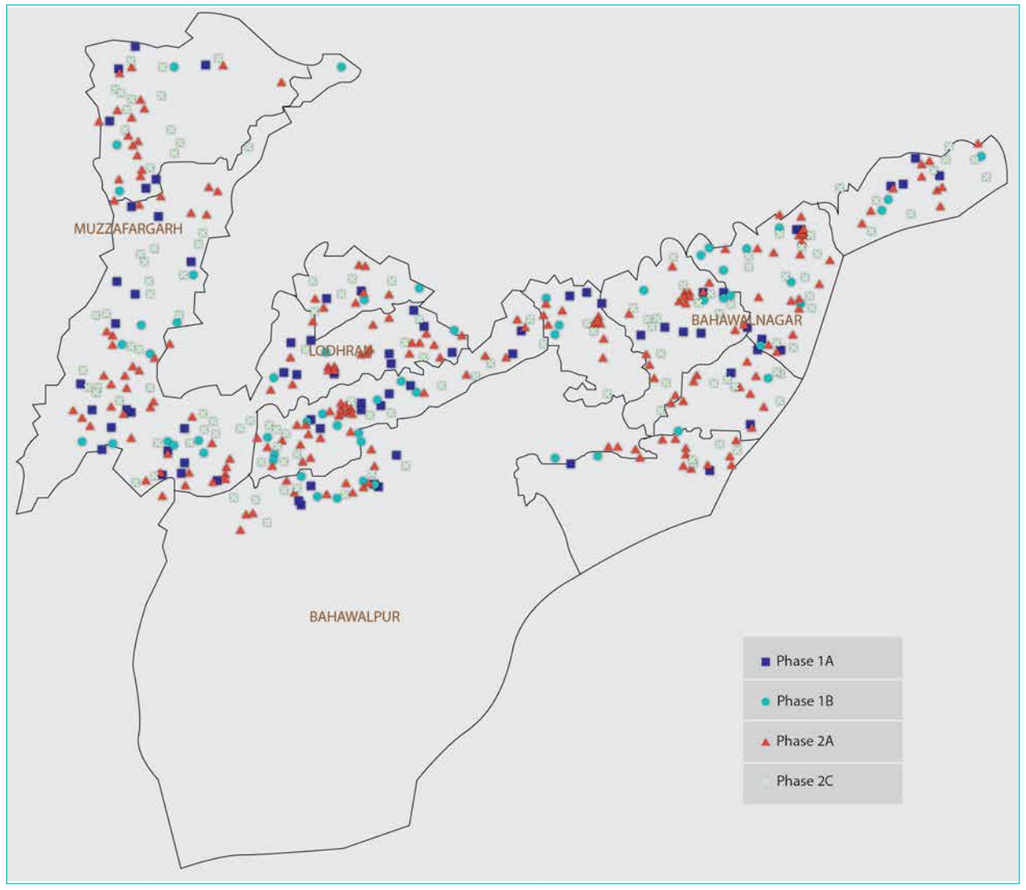


Figure A. 1 PEOP Household Survey Status Map: 709 PSUs of Phase 1 & Phase 2

Appendix B: Classification and Description of Occupation Groups[11]

ISCO-08 Major Groups	Occupation Groups (used in tables)	Corresponding ISCO-08 Unit and Minor Groups
Defense Force	Defense force	Commissioned and Non Commissioned Defense Force Officers, Other Ranks
Managers	Managers	Chief Executives, Senior Officials and Legislators, Senior Government Officials, Senior Officials of Special-Interest Organizations, Traditional Chiefs and Heads of Village
Professionals	Teaching professionals	University and Higher Education Teachers, Secondary, Primary and Vocational Education Teachers
	Health professionals	Medical Doctors, Nursing and Midwifery, Traditional and Complementary Medicine professionals, Veterinarians, Pharmacists and Dentists
	Legal, social and cultural professionals	Lawyers, Judges, Librarians, Archivists and Curators, Journalist, Philosophers, Historians and Political Scientists
	Other professionals	Science and Engineering Professionals, Business Administration
Technicians and Associate Professionals	Technicians and associate professionals	Physical and Engineering Science Technician, Civil Engineering Technician, Construction Supervisor, Agricultural Assistant, Medical and Pharmaceutical Technicians
Clerical Support Workers	Clerical support workers	General and Keyboard Clerks, Receptionists, Enquiry Clerks
Service and Sales Workers	Shop salespersons	Shop Keepers, Shop Supervisors, Shop Sales Assistants, Cashiers and Ticket Clerks
	Hairdressers and beauticians	Hairdresser/ Hair Stylist, Barber and Hairdressing Salon Attendant
	Cooks	Food Service Supervisor/ Kitchen Supervisor, Caterer
	Waiters and bartenders	Dining-Room Supervisor/ Restaurant Supervisor, Waiters and In-Room Dining Supervisor
	Other services and sales works	Personal Care Workers in Health Services and Protective Services Workers
Skilled Agricultural, Forestry and Fishery Workers	Subsistence crop farmers	Subsistence Crop Farmers
	Animal producers	Livestock and Dairy Producers, Farm Manager, Livestock Farmer, Artificial Inseminator
	Other skilled agricultural, forestry and fishery works	Forestry and Related Workers, Fishery Workers, Hunters and Trappers
Craft and Related Trades Workers	Garment and related trades works	Tailors, Furriers & Hatters, Sewing, Embroidery & Related Workers, Sewing-Machine Operator[12]
	Wood treaters, cabinet-makers and related trades workers	Timber-Treating-Machine Operator, Cabinet Maker, Wood-working-Machine Operator
	Food processing & related trades workers	Animal Slaughterer, Confectionery Manufacture, Dairy-Products Makers, Fruit & Vegetable Preserver
	Other Craft and Related Trades Works	House Builders, Mason, Metal Molders and Core makers, Handicraft Workers
Plant and Machine Operators and Assemblers	Stationary plant and machine operators	Drilling-Machine Operator, Quarrying, Rotary Driller, Water well, Cement Mill Operator
	Drivers and mobile plant operators	Motorcycle Courier, Driver, Automobile Delivery, Taxi Driver, Heavy Truck and Bus Drivers, Bulldozer Operator
Elementary Occupations	Agricultural, forestry and fishery laborer	Field Crop Farm Worker, Livestock Farm Worker, Forestry Laborer
	Laborers in mining, construction, manufacturing and transport	Oil-Well Drilling and Servicing, Road Marker, Hand Packer/ Packaging Line worker
	Other elementary occupations	Domestic Maid, Building Cleaner, Bellman, Kitchen Assistant

Table B.1 Classification of Occupation Groups

[11] *THIS CLASSIFICATION OF OCCUPATION GROUPS HAS BEEN TAKEN FROM THE ILO ISCO-08 VOLUME 1.*
[12] *THIS IS CLASSIFIED AS PART OF "STATIONARY PLANT AND MACHINE OPERATOR" UNIT GROUP BY ISCO-2008 BUT FOR BETTER CLASSIFICATION WE PUT IT IN THE "GARMENT AND RELATED TRADES WORKS" CATEGORY.*

Appendix C: Classification of Skills Groups

Skills Groups	Corresponding Skills:
Finance, accounting & banking	Accounting, Finance, banking, insurance, E-Commerce & Project Management, Staff Management (HR), Business Strategy, Informal Money lenders
Agriculture, poultry & fishing	Agricultural supervisor (munshi), Farm maintenance, Farming, Fruit production, Vegetable plantation, Tractor operator, Fish farms, Poultry
Livestock rearing	Animal breeding, Animal health care, Horse breeding, Milk Collection Centre Operations, Dodhi, Wanda Provider, Dairy Farming
Veterinary	Veterinary
Auto electrician/mechanic	Auto electrician, Auto mechanic, Bicycle repair, Farm machinery repair, Motorcycle mechanic, Vehicle painting
Computer skills	Computer repair/hardware technician, Computer engineer/Programming, Computer graphics, Computer operator, Computer Software
Construction work	Brickwork and masonry , Building construction, Bulldozer operator, Civil surveyor, Constructional metalwork, Draftsman, Irrigation and drainage, Paint/polish, Crane driving, Plant and machine operation
Metal works	Welding, Plumbing, Locksmith, Gunsmith, Goldsmith/silversmith, Blacksmith
Driving	Bus and coach driving, Car driving, Rikshaw/Ching Chi driving, Flying/pilot
Education related	Calligraphy, Teacher college/university level, Teacher school level, Education Management
Food related	Baking, Cooking, Butcher, Catering, Hotel/motel and restaurant services, Waiter
Leather, glass & wood	Glass arts and crafts, Other handicraft, Leather work, Pottery, Furniture crafts, Woodcarving, Shoemaking, Football Stitching
Make-up & jewelry	Beautician, Hairdressing, Jewelry design
Garments/textiles	Carpet weaving, Embroidery and needlework, Tailoring, Weaving, Fabric Printing
Medical	Compounder, Doctor, Laboratory technician, Midwifery, Nursing, Para-medic, Pharmacy, Surgical mechanist/technician, Child care
Office related	Clerk, Office management assistant, Operation of office machine, Secretarial services, Stenography
Engineering & electrician	Electrician, Home appliance & repair, Mobile repair, Refrigeration and air conditioning, Engineer electrical/mechanical civil, Generator Repair
Sales related	Marketing and Sales, Retail Sales Person
Others	Book binding, Gardening, Real estate, News reporting, Optics, Packing, Laundry, Machinist, Postal services, Security guard, Watch making, CNG Operator, Industrial quality control

Table C. 1 Classification of Skills Groups Used in Report

Appendix D: Miscellaneous Tables

Employment Status	Infra-marginal		
	All	Top	Second
Males			
Unemployed and not looking	7.87	0.93	4.22
Unemployed but looking	6.20	7.31	7.64
Student	18.05	15.59	25.08
Working	44.22	41.3	38.14
Working but looking for other options	23.66	34.86	24.92
Females			
Unemployed and not looking	30.01	7.98	17.36
Unemployed but looking	37.65	59.45	41.82
Student	13.29	8.68	19.33
Working	9.53	9.74	9.73
Working but looking for other options	9.52	14.14	11.75

Source: Baseline Household Survey Non-In-Depth Sample.
Note: Cell values represent column percentages.

Table D. 1 Infra-Marginal vs Whole Roster Employment

Willingness to Work	Male	Female	Total
Extremely unwilling	2.57	5.05	3.8
Unwilling	1.89	1.89	1.89
Indifferent	2.55	3.96	3.25
Willing	49.55	41.9	45.75
Extremely willing	43.43	47.2	45.3
Total	100	100	100

Source: Baseline Household Survey Non-In-Depth Sample.
Note: Cell values represent column percentages.

Table D. 2 Willingness to Work

Skills Would Like to Acquire	Male		Female	
	Top	Second	Top	Second
Finance, accounting & banking	1.27	1.77	0.26	0.51
Agriculture, poultry & fish (includes tractor driving)	14.33	14.67	0.50	0.65
Livestock rearing	13.42	11.81	4.22	4.36
Veterinary	0.52	0.62	0.01	0.00
Auto electrician/mechanic	10.07	9.91	0.00	0.00
Computer skill	11.53	12.60	4.19	5.38
Construction work	4.28	3.12	0.03	0.00
Metal works	3.50	2.62	0.00	0.07
Driving	10.69	7.64	0.03	0.04
Education related	1.68	3.67	2.91	5.67
Food related	0.94	1.05	0.47	0.65
Leather, glass & wood	1.66	1.74	1.17	1.49
Make-up & jewelry	0.87	0.79	6.11	6.33
Garments/textiles	4.51	3.90	77.31	70.76
Medical	1.72	2.76	1.48	2.55
Office related	0.58	1.02	0.01	0.18
Engineering & electrician (including home appliances)	12.56	13.39	0.03	0.04
Sales related	2.40	2.20	0.14	0.22
Other	3.48	4.72	1.14	1.09
N	***7218***	***3526***	***7449***	***3188***

Source: Baseline Household Survey Non-In-Depth Sample.
Note: Includes all respondents age 10 years or above

Table D. 3 Skills Would Like to Acquire by Poor/Vulnerable and Gender (Infra-Marginals)

Skills Would Like to Acquire	Rural		Urban	
	Top	Second	Top	Second
Finance, accounting & banking	0.53	0.91	1.30	1.80
Agriculture, poultry & fish (includes tractor driving)	9.18	10.26	2.59	2.73
Livestock rearing	11.09	10.40	2.95	3.25
Veterinary	0.33	0.37	0.10	0.23
Auto electrician/mechanic	4.89	4.98	4.98	5.75
Computer skill	5.69	7.53	12.83	13.07
Construction work	2.22	1.79	1.81	1.28
Metal works	1.36	1.10	2.56	2.15
Driving	5.07	3.95	5.63	4.24
Education related	1.59	3.66	4.04	6.91
Food related	0.54	0.74	1.09	1.16
Leather, glass & wood	1.31	1.57	1.67	1.74
Make-up & jewelry	1.95	2.18	7.42	6.33
Garments/textiles	44.00	38.17	36.32	29.56
Medical	1.34	1.99	2.22	4.24
Office related	0.21	0.52	0.48	0.87
Engineering & electrician (including home appliances)	5.72	6.28	7.18	8.89
Sales related	1.04	1.13	1.74	1.57
Other	1.95	2.48	3.09	4.24
N	***10395***	***4746***	***4272***	***1968***

Source: Baseline Household Survey Non-In-Depth Sample.
Note: Includes all respondents age 10 years or above

Table D. 4 Skills Would Like to Acquire by Poor/Vulnerable and by Rural Urban (Infra-Marginals)

Appendix E: Core Skill Definitions

Standard Skills: Numeracy and Literacy	*Basic:* Basic counting, simple addition/subtractions, measurement and reading simple things like labels on containers. *Advanced:* Working with fractions, multiplying and dividing, doing algebra or basic bookkeeping as well as reading comprehension, writing complete sentences or longer passages.
Non-Standard Skills: Communication, Creativity and Planning	*Basic:* Understand and follow verbal instructions, listen well and plan and manage your own tasks and schedule. *Advanced:* Give instructions, explain things well to people with whom you are not familiar, come up with creative solutions to problems, take on new tasks, control your own work schedule (in Urdu use 'mechanical mind') and plan and manage others' schedules as well.

Table E.1 Core Skill Definitions

Designed By:
DIVINE WORKS

OFFICE:

19-A, FCC Gulberg IV,
Lahore 54000 Pakistan
Phone: +92-(0)42-3586 8304
E-Mail: contact@cerp.org.pk
Web: www.cerp.org.pk

www.facebook.com/CERPakistan

CERP | Center for Economic Research in Pakistan