

Media Update

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PRESS RELEASE

Women earn 25% less per hour than men in Pakistan for work of equal value - ILO

A new ILO policy brief highlights the key structural barriers and discrimination fuelling the gender pay gap in Pakistan, calling for urgent policy action to promote equal pay, strengthen labour law enforcement, and enhance economic opportunities for women.

ISLAMABAD (ILO News) – Women in Pakistan continue to earn significantly less than men, with the gender pay gap (GPG) standing at 25% when measured using hourly wages and 30% when assessed on a monthly basis, according to a new policy brief by the International Labour Organization (ILO).

The policy brief highlights the structural barriers and discrimination contributing to these disparities and calls for immediate policy interventions to ensure equal pay for work of equal value. The report finds that the average hourly wage for employed women in Pakistan is PKR 750, while men earn PKR 1,000 per hour. Since men tend to receive more working hours than women, the monthly wage gap expands to 30%.

The findings indicate that while Pakistan has made some progress in reducing the GPG—down from 33% in 2018—the country still lags behind regional peers such as Sri Lanka (22%), Nepal (18%), and Bangladesh (-5%). The report underscores that most of Pakistan’s GPG is unexplained by observable factors such as education, skills, or occupation, suggesting that discrimination plays a key role in wage differences.

According to the report, the gender pay gap widens for employees over the age of 35, as women returning to work after maternity leave often require more

workplace flexibility, which comes at the cost of lower wages. Weak enforcement of labour laws is a major factor behind the gender wage gap in Pakistan. In the formal economy and public sector, where labour laws are better enforced, women receive wages equal to men when performing the same work.

The informal sector experiences a much larger gender pay gap (40%) compared to the formal sector. Similarly, the gap is wider in private sector jobs, where labour laws are often not fully enforced. However, the report also notes that educated workers face a smaller wage gap than illiterate workers, suggesting that education helps women access better-paying jobs.

ILO Country Director for Pakistan, Geir T. Tonstol, emphasized the urgency of addressing these inequalities, stating, “Lack of adherence to labour laws significantly contributes to the gender pay gap in Pakistan, especially in the informal economy. Strengthening compliance and promoting social dialogue are key to ensuring fair wages and better working conditions.”

Pakistan has committed to aligning its labour laws with ILO Conventions, and recent labour codes in Punjab and Sindh reflect these principles. However, enforcement and implementation remain key challenges.

The policy brief suggests that wage policies can also help reduce gender-based pay disparities. Raising the minimum wage disproportionately benefits women, as they constitute a significant portion of low-wage workers. Therefore, wage-setting mechanisms—whether through legislation or collective bargaining—should consider this factor.

The brief concludes that strengthening labour law enforcement would significantly reduce the gender wage gap, as much of the disparity is driven by systemic discrimination against women. One key recommendation is to formalize the informal economy, where wages are lower, working conditions are poor, and social protection for workers—especially women—is minimal or non-existent.

Eliminating the gender wage gap requires collaborative action from governments, labour unions, employer organizations, and civil society. Only through comprehensive policies and joint initiatives can gender inequality in the labour market be effectively addressed.

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