

VITAL ECONOMIC OPERATIONS MANAGEMENT (VEOM)

PLANNING AND DEVELOPMENT DEPARTMENT, GOVERNMENT OF KHYBER PAKHTUNKHWA

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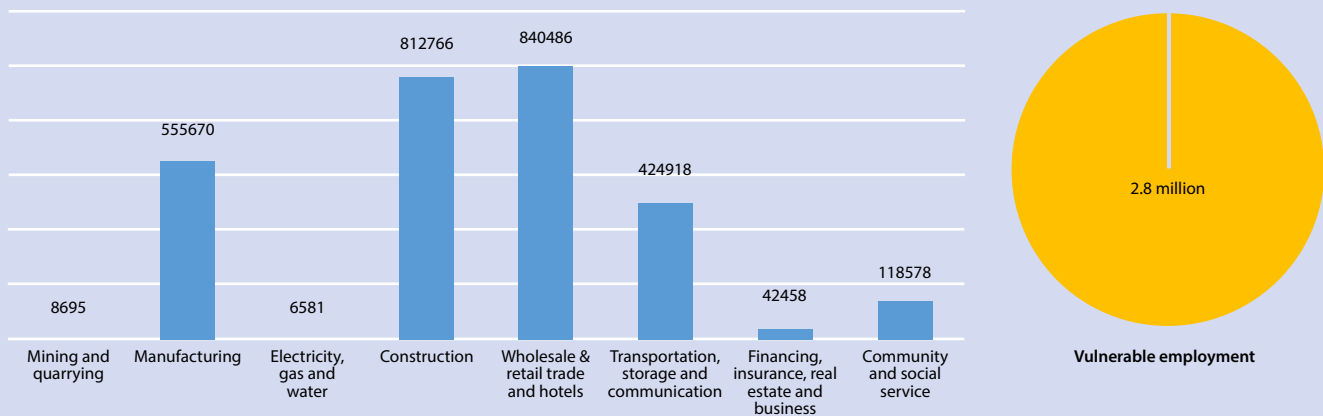
SKETCHING OUT THE EFFECTS FOR OPTIMAL TARGETING OF INTERVENTIONS IN KP

PRELIMINARY ANALYTICS OF VULNERABLE EMPLOYMENT

SECTOR WISE ESTIMATES OF VULNERABLE EMPLOYMENT

In the ongoing COVID-19 crisis, it is important to assess vulnerable sections of employment so that government efforts can be targeted well. We have estimated the total and sector-wise vulnerable employment for the Khyber Pakhtunkhwa economy.¹ In order to calculate the level of vulnerable employment, we have modified the definition of vulnerable employees given by the International Labour Organization (ILO). According to ILO, 'own account workers' and 'contributing family workers' are the vulnerable employment. However, in addition to these categories, we added the 'casual paid employee', 'paid worker by piece rate or work performed', and 'paid non-family apprentice'.² The estimates of the vulnerable employment in each sector and total is shown in the following Figure 1.

Figure 1: Vulnerable employment numbers in Khyber Pakhtunkhwa, by economic sectors and total



The above figure 1 shows that wholesale and retail sector has highest number of vulnerable workers, followed by construction, manufacturing and transportation and storage sectors. The right side pie chart display the total size of vulnerable employment in all sectors of KP. The figure indicate that there are about 2.8 million vulnerable employees in various sectors. In the following table 1, the percentage share of vulnerable employment in each sector is shown.

¹ The vulnerable employment in each sector is calculated by using the information in section 5.8 of the Labour Force Survey (LFS) 2017-18. The sub codes in the mentioned section include '2' (casual paid employee), '3' (paid worker by piece rate or work performed), '4' (paid non-family apprentice), '6' (own account worker, agriculture), '7' (own account worker, non-agriculture), '11' (contributing family worker, Agriculture), '12' (contributing family worker, non-agriculture).

² **Contributing family workers** are those workers who hold «self-employment jobs» as own-account workers in a market-oriented establishment operated by a related person living in the same household. **Own account workers** are those workers who, working on their own account or with one or more partners, hold the type of jobs defined as self-employed job, and have not engaged on a continuous basis any employees to work for them during the reference period. Additionally, the **causal paid employed** are those who have no guaranteed hours work. They work irregular and can be laid off without any prior notice. The **paid workers by piece rate** are those who are paid per piece of work. They mostly work in the manufacturing. Similarly, **paid non-family apprentices** are those workers who are in the learning process and get some pay from the employers.

Table 1: Percentage share of vulnerable employment in each sector

Industries	Mining and quarrying	Manufacturing	Electricity, gas and water	Construction	Wholesale & retail trade and hotels	Transportation, storage and communication	Financing, insurance, real estate and business	Community and social service
Total employment	19253	775032	51872	885174	1072435	558919	114819	864509
Vulnerable employment	8695	555670	6581	812766	840486	424918	In	118578
% Share of vulnerable employment	45%	72%	13%	92%	78%	76%	37%	14%

In figure 1 and table 1, the total number of vulnerable workers and their percentage share in each sector are exhibited. However, to have precise information on each category of vulnerable labour force (i.e. on job status), the following figure 2 and table 2 given are more elaborate.

Figure 2: Vulnerable employment by job status

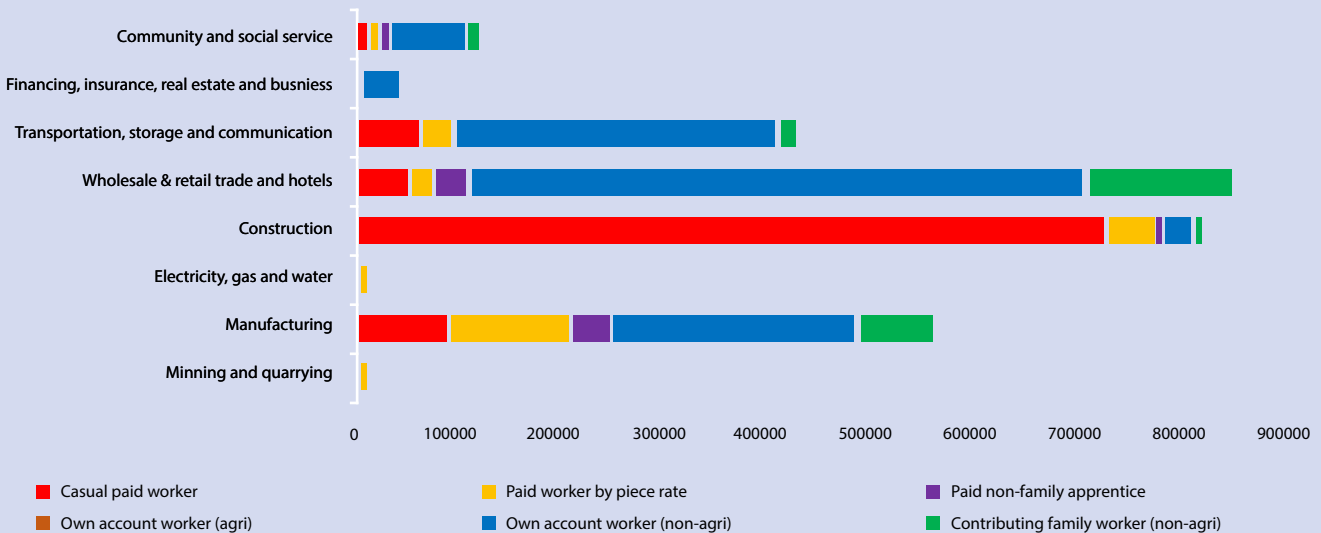
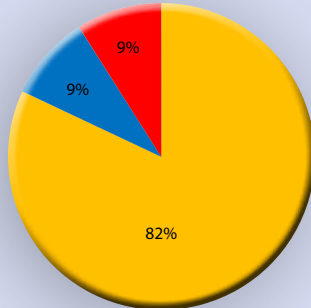


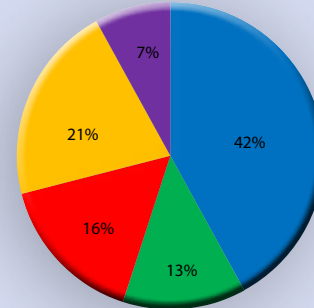
Figure 2 shows the employment status of vulnerable employees in various economic sectors of Khyber Pakhtunkhwa. The casual paid employees are highest in construction sector (0.71 million), followed by manufacturing (0.087 million), transportation (0.06 million) and wholesale & retail (0.051 million). Paid workers by piece rate and paid non-family apprentices are high in manufacturing sector, (0.11 million and 0.039 million respectively). Own account workers (non-agriculture) are highest in wholesale and retail sector (0.58 million), followed by transportation (0.03 million) and manufacturing (0.023 million) sectors. Similarly, the contributing family workers (non-agriculture) are high in wholesale & retail and manufacturing sectors (0.13 million and 0.074 million respectively).

We represent the above discussion in more detail by following pie charts for each sector as well.

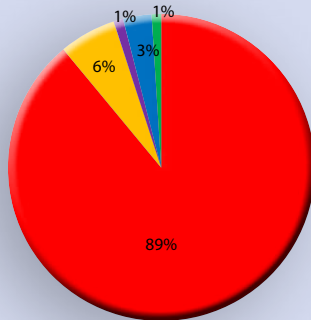
Mining and quarrying



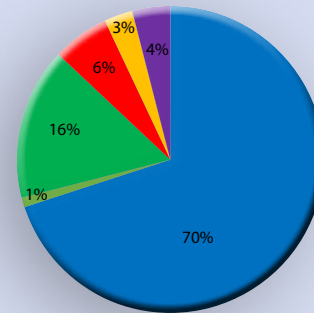
Manufacturing



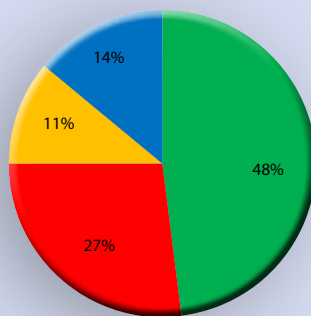
Construction



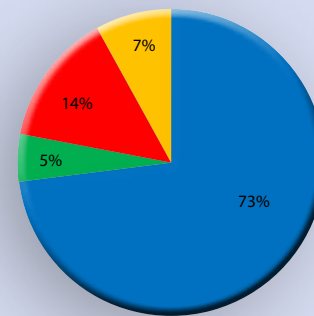
Wholesale, retail and hotels



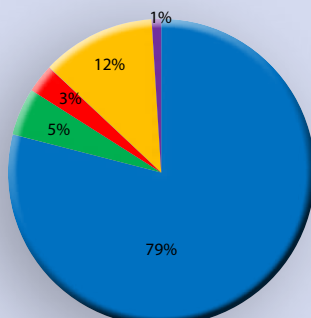
Electricity, gas and water



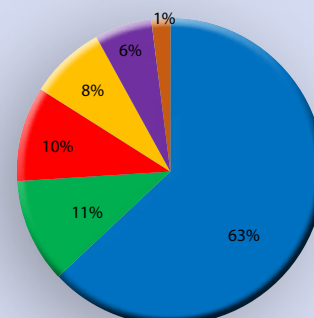
Transportation and storage



Financing, insurance, real estate and business



Community and social service



■ Casual paid worker
■ Own account worker (agri)

■ Paid worker by piece rate
■ Own account worker (non-agri)

■ Paid non-family apprentice
■ Contributing family worker (non-agri)





Table 2: Vulnerable employment by job status

Vulnerable Employed Workers	INDUSTRIES							
	Mining and quarrying	Manufacturing	Electricity, gas and water	Construction	Wholesale & retail trade and hotels	Transportation, storage and communication	Financing, insurance, real estate and business	Community and social service
Casual paid employee	785	87755	1791	719914	51279	60488	1419	11946
Paid worker by piece rate	7170	117713	696	46352	21419	31255	4957	9867
Paid non-family apprentice	0	39536	0	6966	34280	910	263	7415
Own account worker (agriculture)	0	0	0	0	2097	1152	0	1066
Own account worker (non-agriculture)	740	234510	930	28263	587950	309165	33738	74807
Contributing family worker (agriculture)	0	1540	0	0	4737	958	0	376
Contributing family worker (non-agriculture)	0	74369	3164	11271	138265	19992	2081	13101
Total	8695	555176	6581	812766	839568	422999	42458	118578