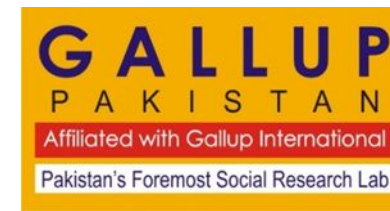


PAKISTANI LABOR FORCE AT RISK

**ECONOMIC RISKS OF CORONA
LOCKDOWN**

**MEASURING LOCKDOWN RISK ANALYSIS FOR
PAKISTAN LABOR FORCE**

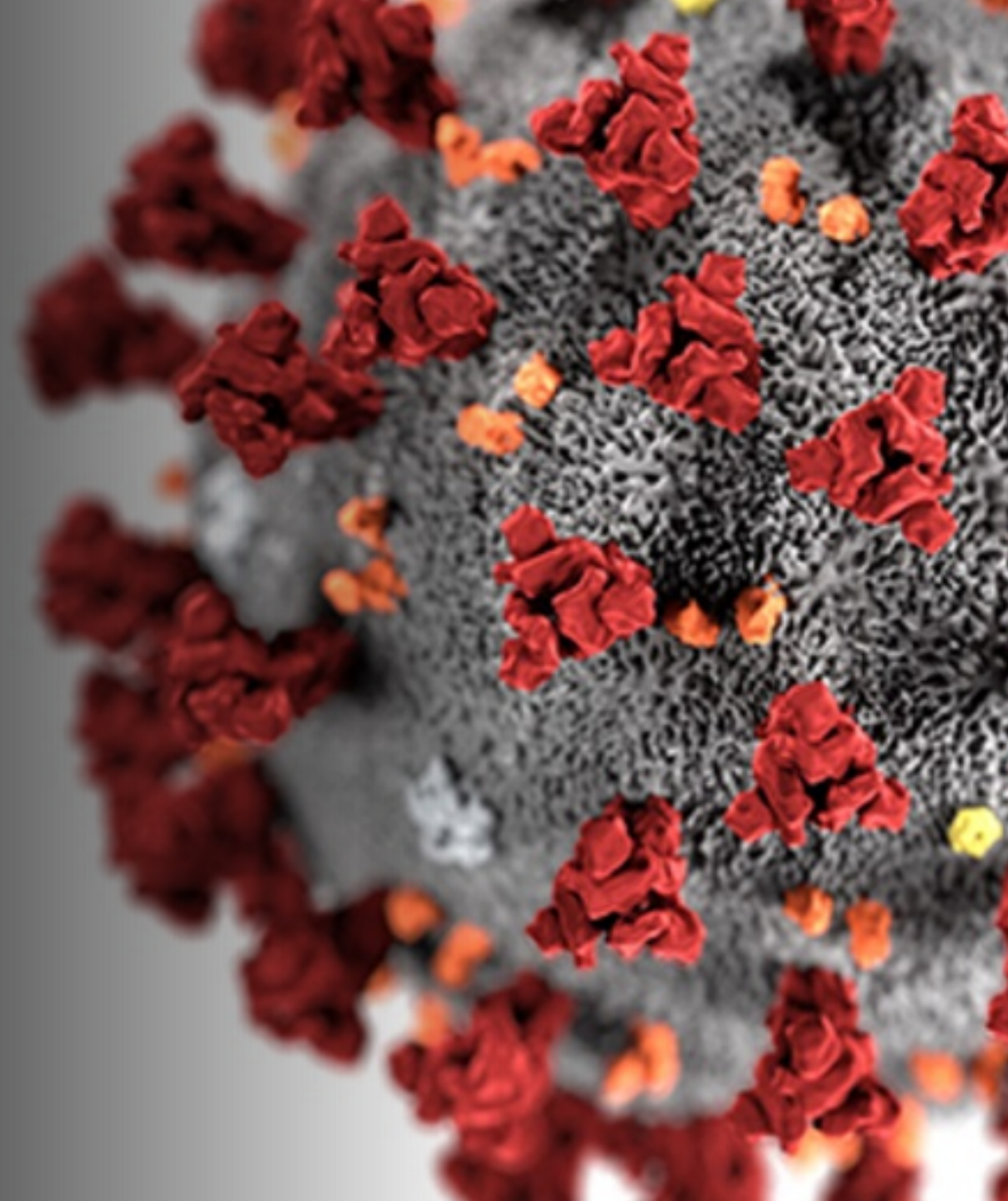


19 May 2020



Executive Summary

- DISTRIBUTION OF WORKERS BY RISK-LEVEL
 - GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL
 - SECTORS OF EMPLOYMENT AND OCCUPATION BY RISK-LEVEL
 - SOCIO-DEMOGRAPHIC CHARACTERISTICS BY RISK-LEVEL
-



DISTRIBUTION OF WORKERS BY RISK-LEVEL

- 28% of the overall employed labour force of the country is at high-risk of losing jobs
- In terms of number, 17.34 million employed labour force may lose their jobs because of the lockdown
- If unemployed are included in the high-risk category, the number increases to 21.13 million or 32.3% of the total labour force
- 40% of the labour force is estimated at the medium-level risk – a longer lockdown can affect their livelihood or they are at the risk of falling into poverty
- One-third of the labour force is classified at the low-risk, but low economic activity may also impact them adversely

GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

- Workers at high-risk are widely spread across the country; but relatively high proportion is found in Sindh (37% vs 28% at the national level)
- 51% of the labour force at high-risk of losing jobs is found in Sindh and South Punjab.
- In addition to Divisions of Sindh and South Punjab, Lahore, Gujranwala, Faisalabad, Rawalpindi, Peshawar, Hazara, Malakand, and Quetta Divisions have a considerably high proportion of workers at the high-risk.
- A high proportion of workers with low-risk (40%) are found in North, West and Central Punjab.

SECTORS OF EMPLOYMENT AND OCCUPATION BY RISK-LEVEL

- Workers at high-risk are found in agriculture (25%), construction (24%), manufacturing (20%), trade (10%) and transport (14%) sectors;
- Workers at medium-risk are found in agriculture (53%), trade (23%) and manufacturing (13%); and
- Workers at low-risk are found in agriculture (32%), manufacturing (16%), education (12%), trade (9%) and public administration (8%).
- Majority of workers at high risk have 'elementary occupation (labourers)' and craft and trade related occupation.

SOCIO-DEMOGRAPHIC CHARACTERISTICS BY RISK-LEVEL

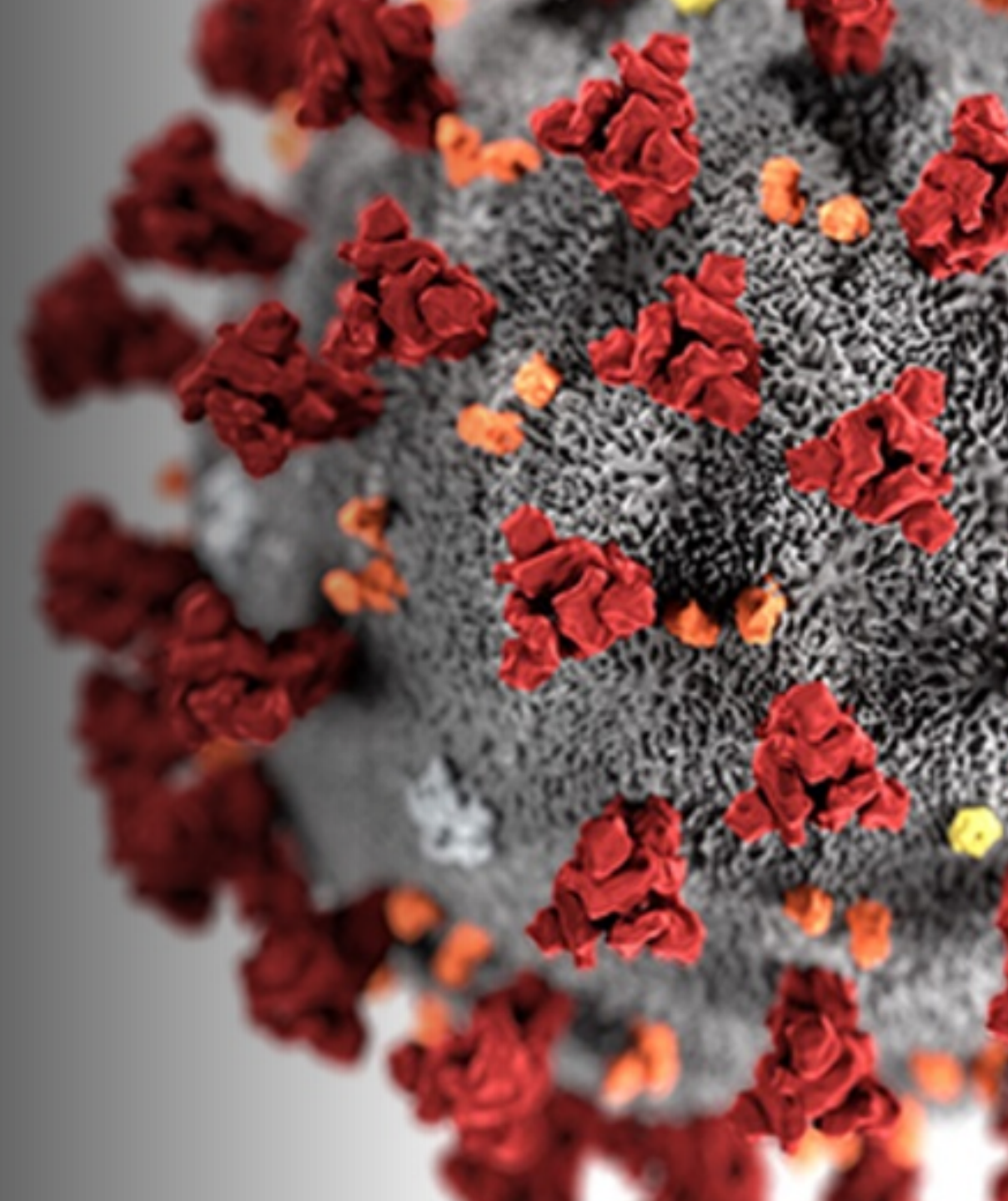
- 38% of workers in medium risk are women, who primarily work as unpaid family helpers
- 80% of the employed labour force in all categories is from rural areas
- Majority of workers is in 21-50 years age group
- About half of the workers at high- and medium-risk have no formal education while the corresponding proportion is 28% for the workers in low-risk
- In contrast, compared to only 2% of workers at high-risk, 18% of the workers with low-risk have Bachelor or higher level education

DISCUSSION AND RECOMMENDATIONS

- How to support in this crisis the workers at high-risk?
- How to protect the workers at medium risk from losing the sources of their livelihood or from falling into poverty?
- How to encourage the workers in low-risk to contribute in economic activities?



INTRODUCTION AND BACKGROUND



INTRODUCTION AND BACKGROUND

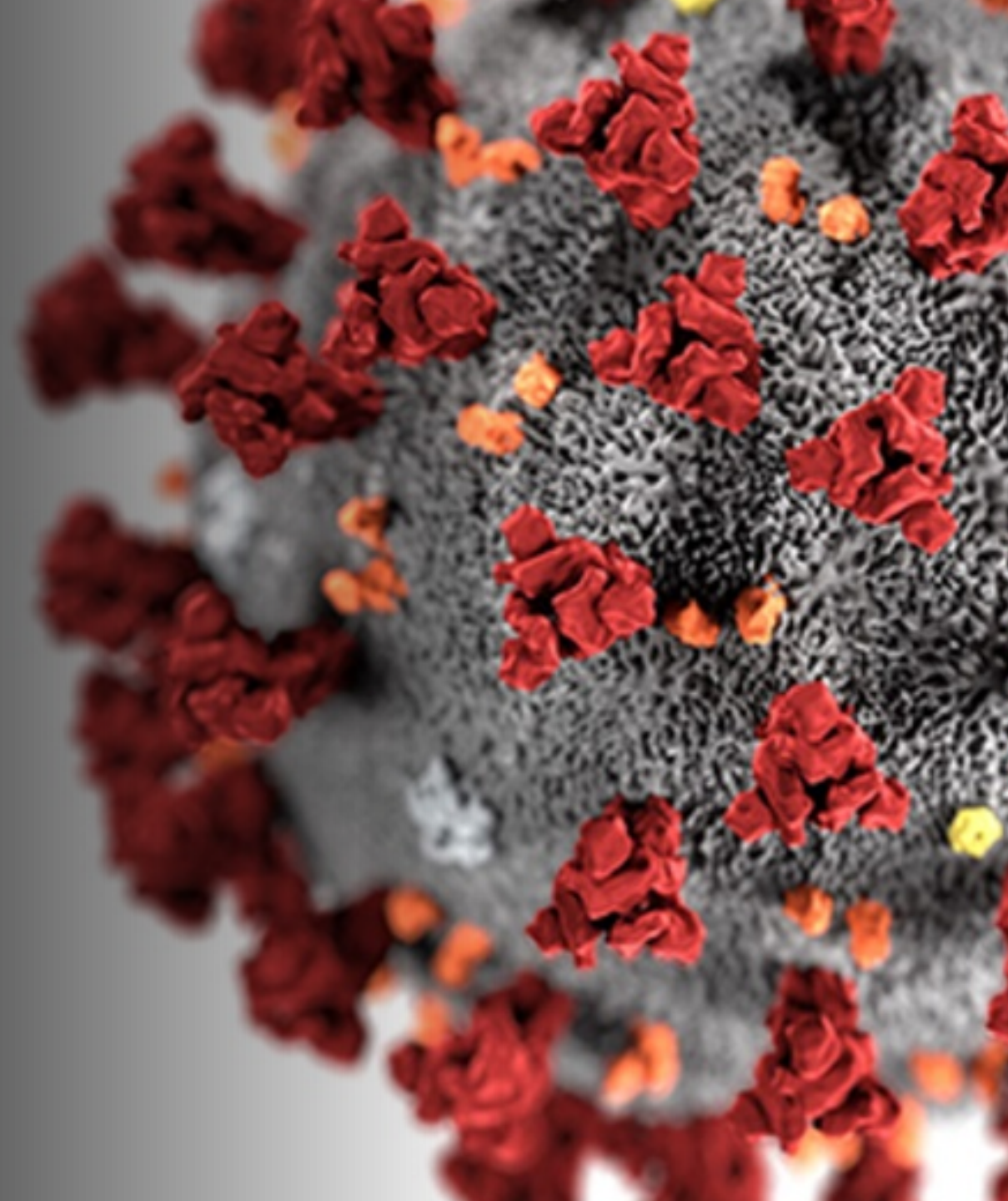
The COV-19 related lockdown in Pakistan has badly affected the livelihood of a large segment of the society because of pervasive joblessness. This effect, however, may vary by the nature of job workers hold before the COV-19 and across the geographical locations of their work/job. While the next Pakistan Labour Force Survey (LFS) will show the actual effect of COD-19 on the labour market situation in Pakistan, the last LFS carried out in 2017-18 does enable to assess the risk-level of employed labour force. The LFS 2017-18 reveals the magnitude of total labor force as **65.5 million** in 2017-18. The number of employed labour force is estimated as **61.8 million**, and unemployed labour force is **3.7 million**. This brief note has four specific objectives:

INTRODUCTION AND BACKGROUND

1. To assess the risk of joblessness for the employed labour force because of COV-19 lockdown;
2. To give the magnitude of joblessness risks by province and administrative Divisions
3. To explore the sectoral and occupational distribution of workers by risk-level and understand their key socio-demographic characteristics; and
4. To draw some policy recommendations for the wellbeing of Pakistani workers and their families.



METHODOLOGY



The universe for this note is the employed labour force of Pakistan; or in other words, the unemployed labour force is not included, for the time-being, in the analysis. The employed labour force is divided into three categories: workers at high-risk of losing job; workers at medium-level of risk; and workers in low- or no-immediate risk. This classification is based on four key labour market indicators – employment status, sectors of employment (industry), occupation, location of work (shop, factory, street/road, etc) and periodicity of payment e.g. monthly, weekly, daily or piece rate.

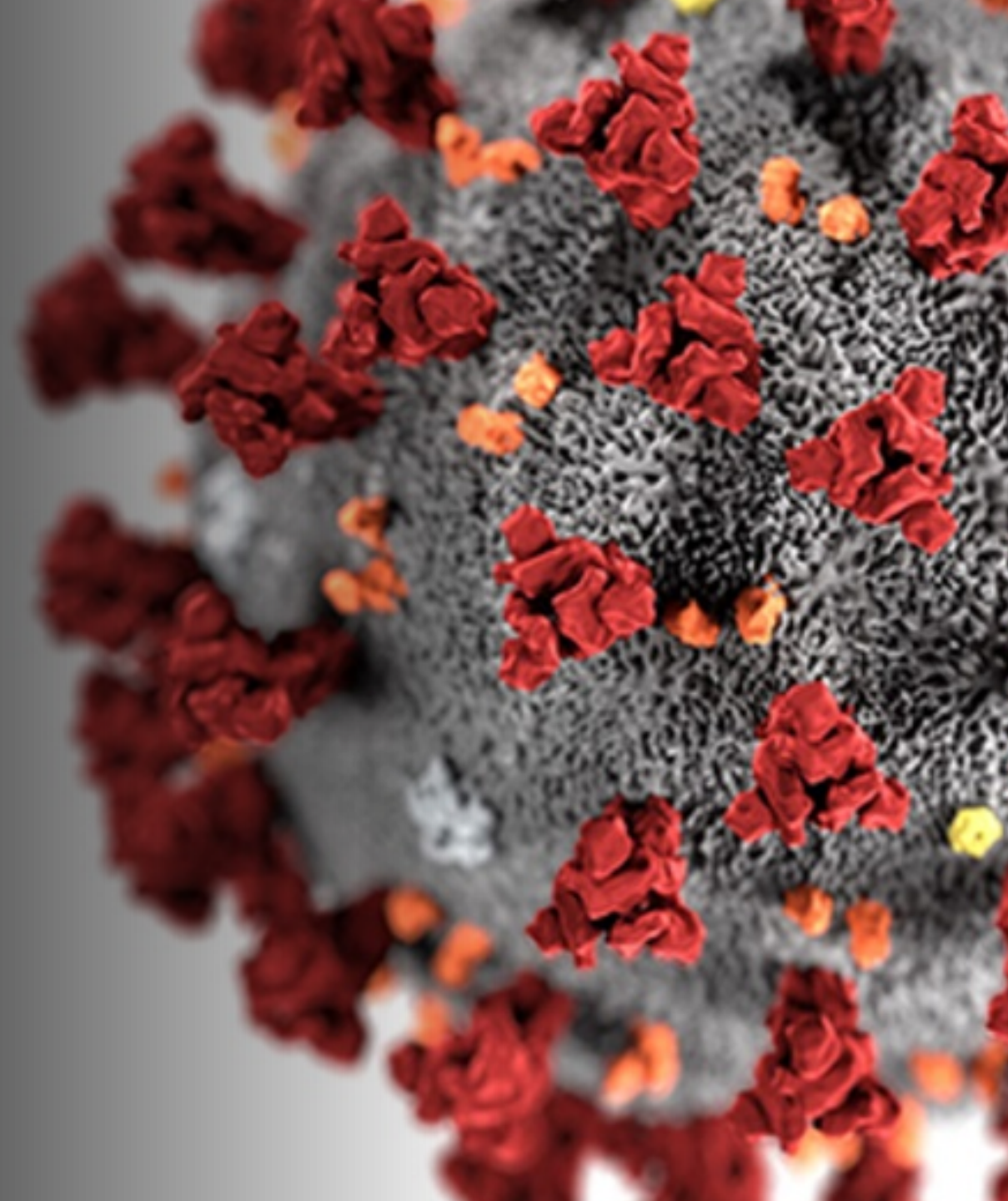
The classification workers in three categories is made as follows:

1. Workers at high-risk of losing jobs includes (i) 'casual paid employees', who are primarily paid on daily basis or weekly, (ii) piece rate workers, (iii) apprentice (or shagirds probably), (iv) own account workers only working in streets/roads, and (v) sharecroppers.
2. Workers at medium-level of risks include (i) non-agriculture own account workers, mainly shop keepers, owners of small manufacturing units etc., (ii) own account workers (agriculture), and (iii) contributing family workers in both agriculture and non-agricultural sectors.
3. 'Paid employees with fixed wages' are labelled as workers in low or no immediate risk.



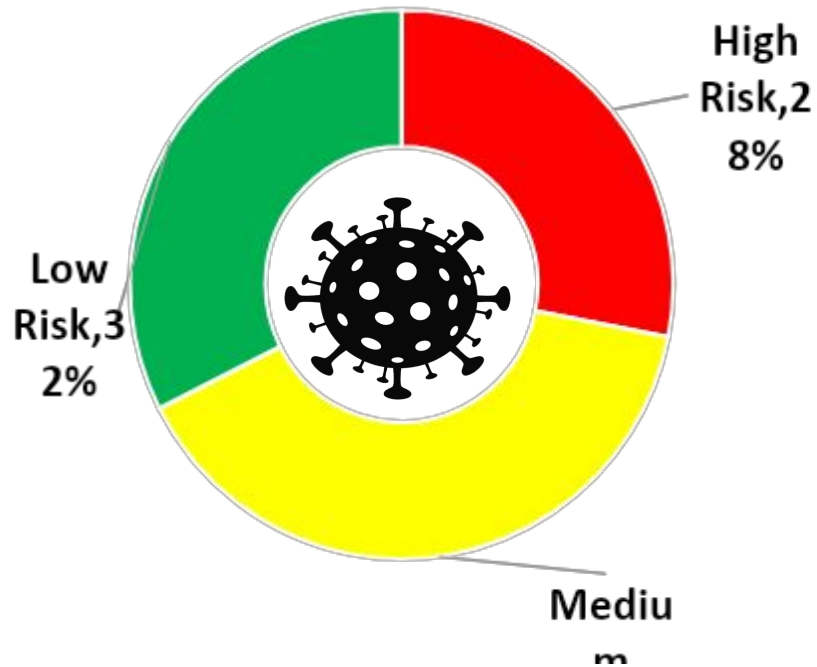
SECTION 1:

DISTRIBUTION OF WORKERS BY RISK-LEVEL



DISTRIBUTION OF WORKERS BY RISK-LEVEL

PAKISTANI LABOR FORCE AT RISK

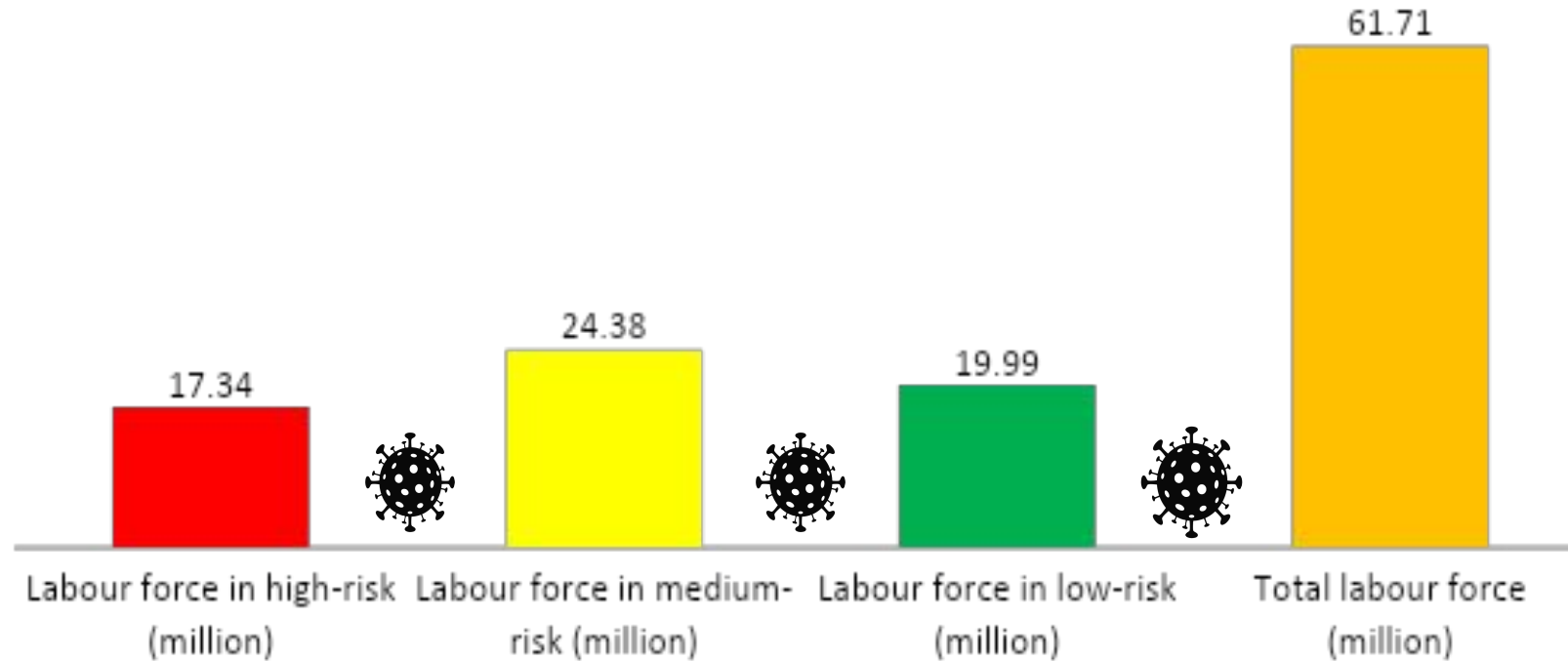


- *28% of the overall employed labour force of the country is at high-risk of losing jobs*
- *40% of the labour force is estimated at the medium-level risk – a longer lockdown can affect their livelihood, or they are at the risk of falling into poverty*
- *One-third of the labour force is classified at the low-risk, but low economic activity may also impact them adversely*

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

DISTRIBUTION OF WORKERS BY RISK-LEVEL ACROSS PROVINCES

PAKISTANI LABOR FORCE AT RISK (MILLION)

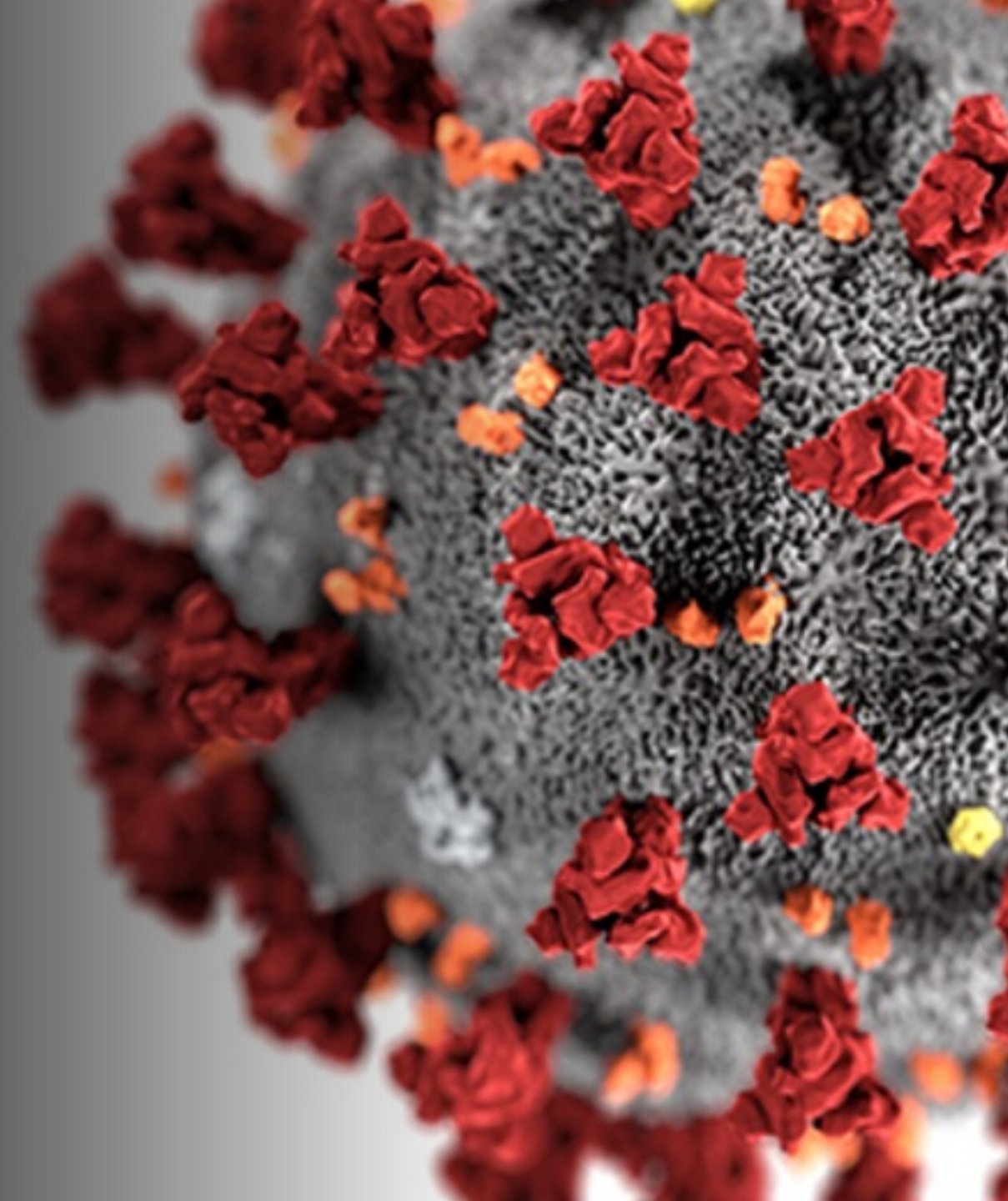


- In terms of number, **17.34 million** employed labour force may lose their jobs because of the lockdown
- If unemployed are included in the high-risk category, the number increases to **21.13 million** or **32.3%** of the total labour force

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)



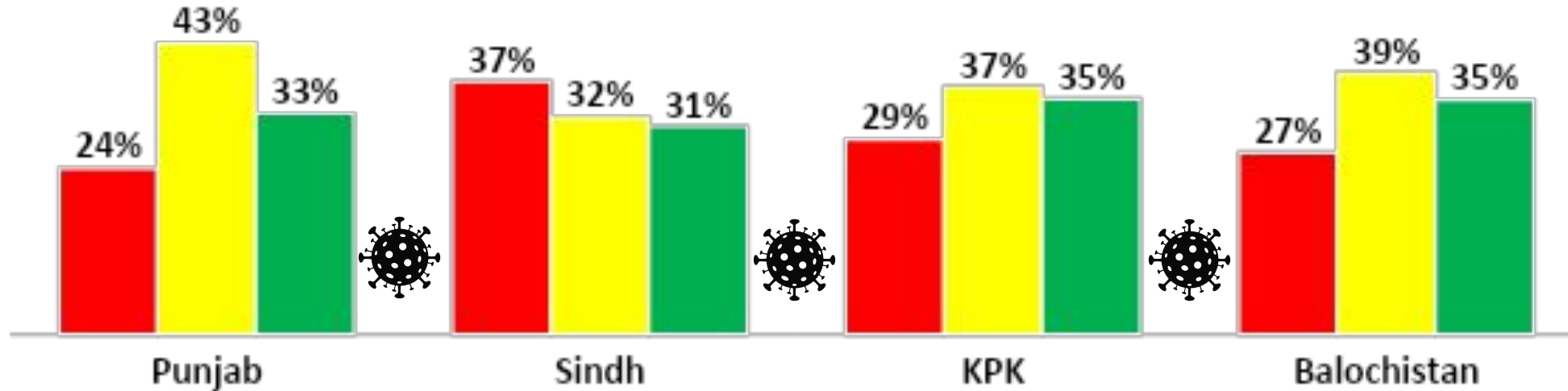
SECTION 2: GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL



GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

PROVINCE-WISE LABOR FORCE AT RISK

■ High Risk ■ Medium Risk ■ Low Risk

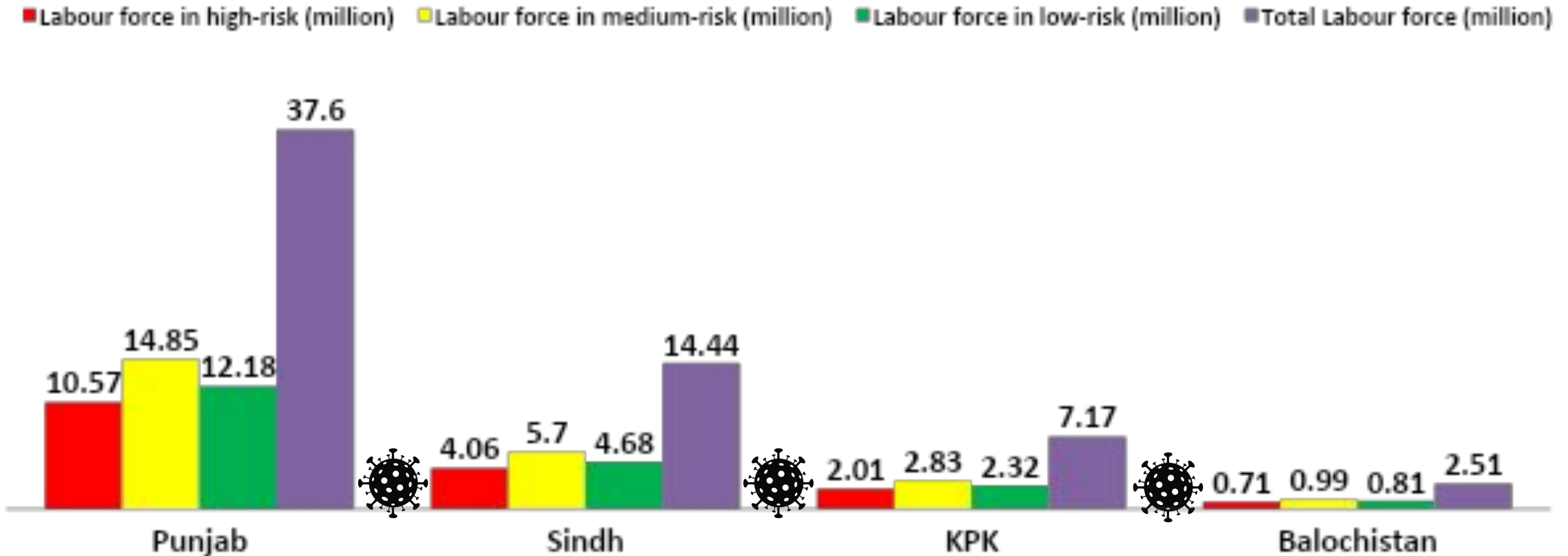


- Workers at high-risk are widely spread across the country; but relatively high proportion is found in Sindh (37% vs 28% at the national level)

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

PROVINCE-WISE LABOR FORCE AT RISK (MILLION)

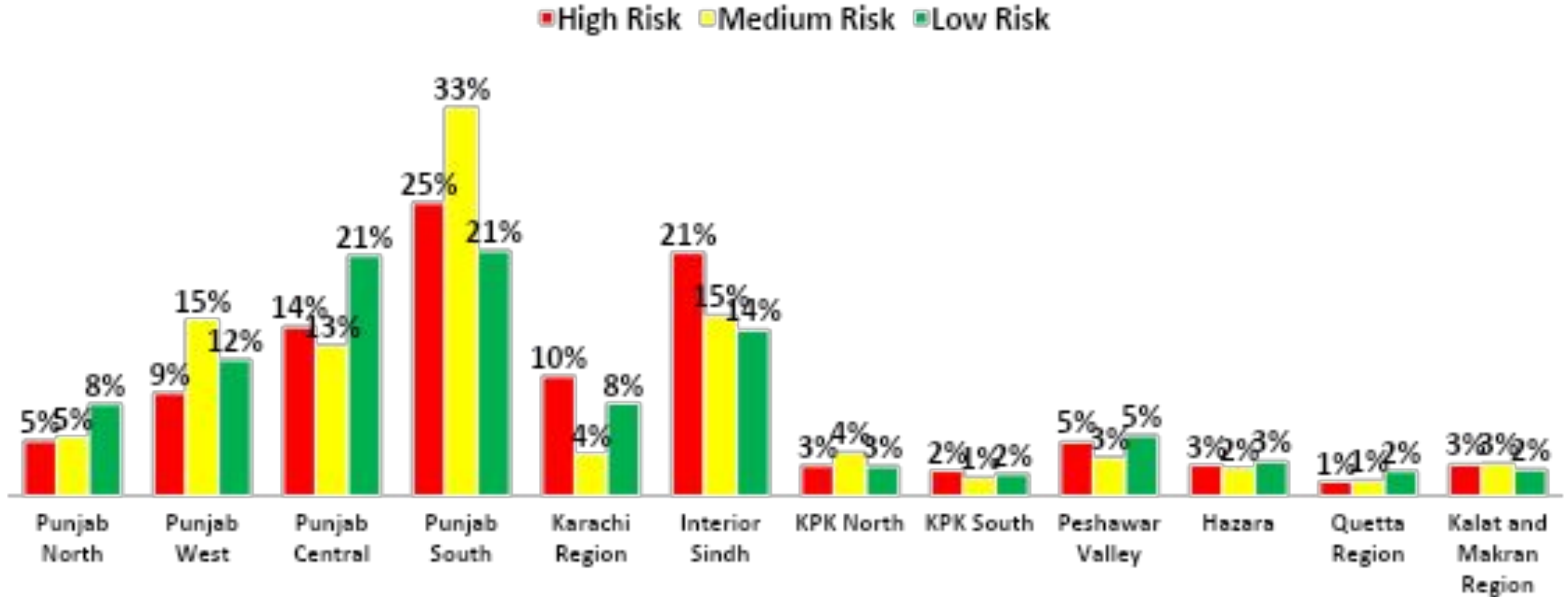


- 10.57 million employed labour force from Punjab, 4.06 million from Sindh, 2.01 million from KPK and 0.71 million may lose their jobs because of the lockdown

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

12 REGION-WISE LABOR FORCE AT RISK



- 21% of the labour force at high-risk of losing jobs is found in interior Sindh and 25% in Punjab South.

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

12 REGION-WISE LABOR FORCE AT RISK (MILLION)

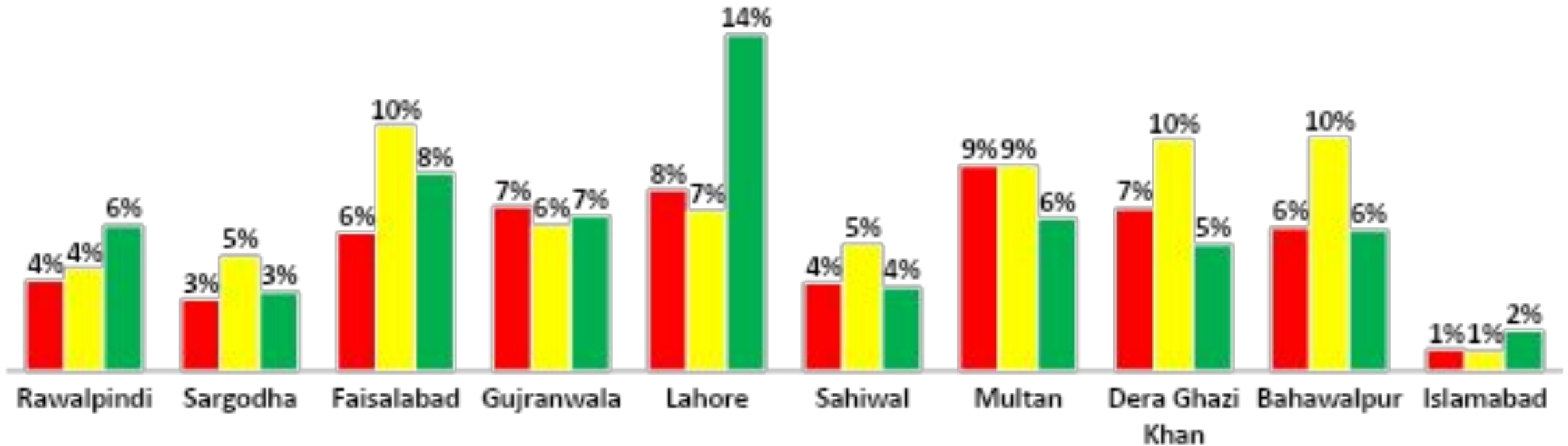
Region	Labour force in high-risk (million)	Labour force in medium-risk (million)	Labour force in low-risk (million)	Total labour force (million)
Punjab North	0.82	1.22	1.57	3.61
Punjab West	1.53	3.69	2.33	7.54
Punjab Central	2.51	3.14	4.12	9.77
Punjab South	4.36	8.12	4.20	16.67
Karachi Region	1.78	0.87	1.59	4.23
Interior Sindh	3.62	3.76	2.84	10.21
KPK North	0.44	0.89	0.50	1.84
KPK South	0.37	0.36	0.37	1.10
Peshawar Valley	0.80	0.79	1.03	2.62
Hazara	0.45	0.58	0.58	1.61
Quetta Region	0.21	0.30	0.42	0.93
Kalat and Makran Region	0.46	0.66	0.44	1.57
All Pakistan	17.34	24.38	19.99	61.71

GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

DIVISION-WISE LABOR FORCE AT RISK

PUNJAB DIVISIONS ONLY

■ High Risk ■ Medium Risk ■ Low Risk



- In Punjab, Multan, Lahore, Gujranwala, Dera Ghazi Khan, Faisalabad, Bahawalpur Divisions have a considerably high proportion of workers at the high-risk.

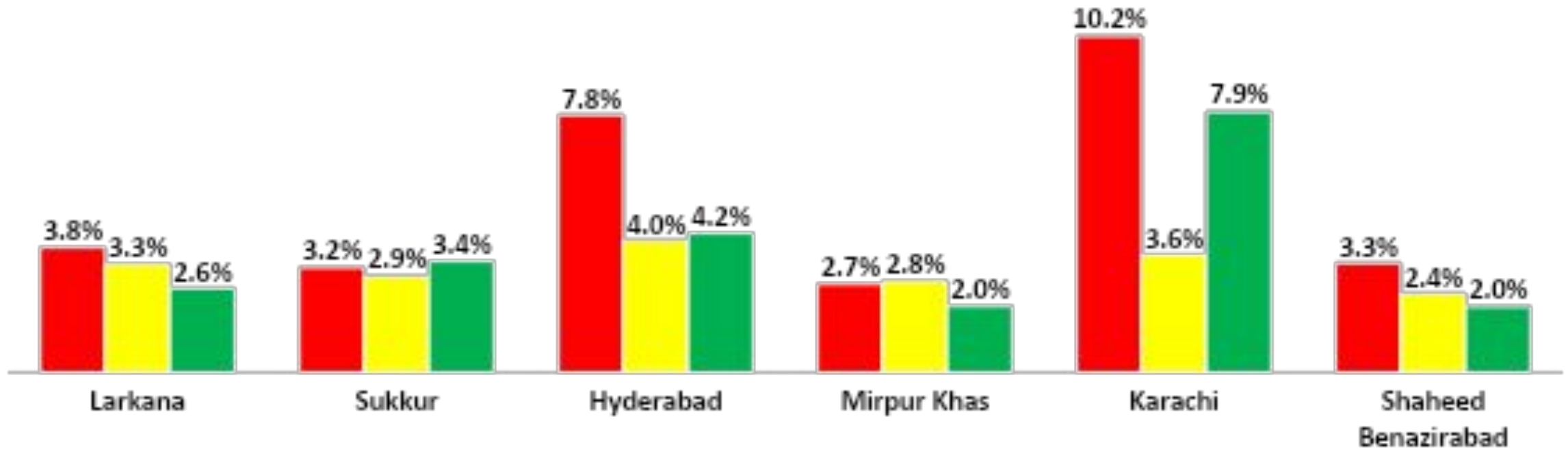
Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

DIVISION-WISE LABOR FORCE AT RISK

SINDH DIVISIONS ONLY

■ High Risk ■ Medium Risk ■ Low Risk



- In Sindh, Karachi and Hyderabad Divisions have a considerably high proportion of workers at the high-risk.

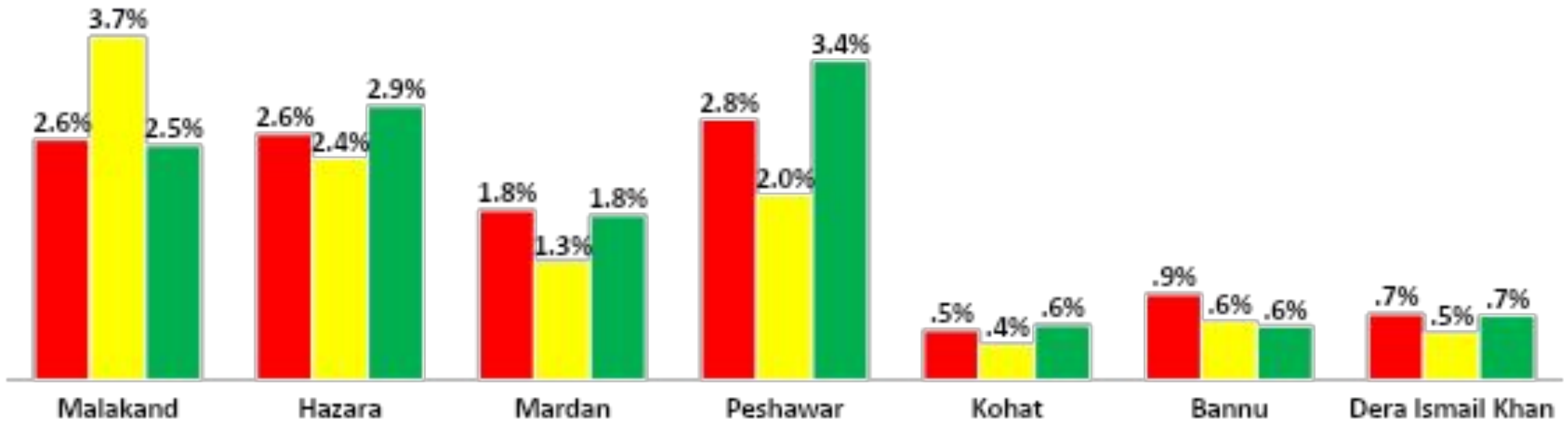
Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

DIVISION-WISE LABOR FORCE AT RISK

KPK DIVISIONS ONLY

■ High Risk ■ Medium Risk ■ Low Risk



- In KPK, Malakand, Hazara and Peshawar Divisions have a considerably high proportion of workers at the high-risk.

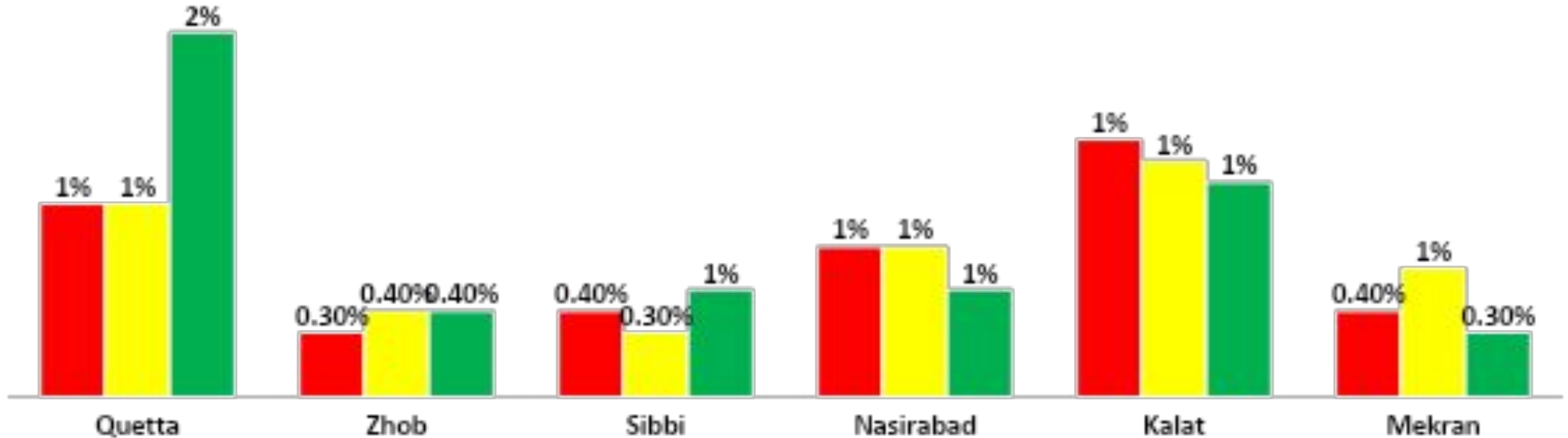
Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

DIVISION-WISE LABOR FORCE AT RISK

BALUCHISTAN DIVISIONS ONLY

■ High Risk ■ Medium Risk ■ Low Risk



- In Balochistan, Quetta and Kalat have a considerably high proportion of workers at the high-risk.

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

GEOGRAPHICAL CONCENTRATION OF WORKERS BY RISK-LEVEL

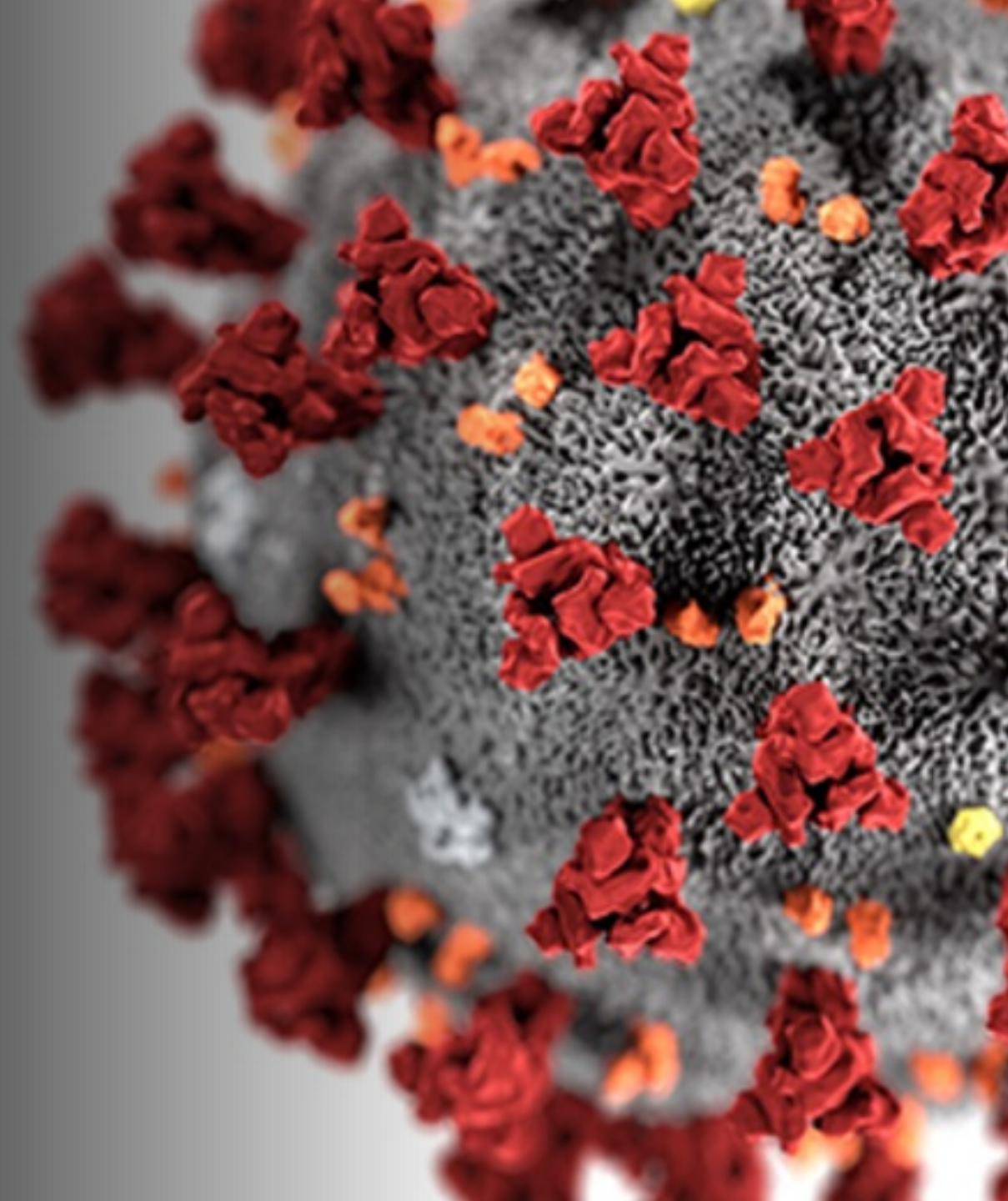
DIVISION_WISE LABOR FORCE AT RISK (MILLION)

Region	Labour force in high-risk (million)	Labour force in medium-risk (million)	Labour force in low-risk (million)	Total labour force (million)
Malakand	0.44	0.89	0.50	1.84
Hazara	0.45	0.58	0.58	1.61
Mardan	0.31	0.31	0.35	0.97
Peshawar	0.48	0.48	0.68	1.64
Kohat	0.09	0.09	0.12	0.30
Bannu	0.16	0.15	0.11	0.42
Dera Ismail Khan	0.12	0.12	0.14	0.38
Rawalpindi	0.65	1.04	1.22	2.91
Sargodha	0.52	1.17	0.66	2.35
Faisalabad	1.01	2.51	1.67	5.19
Gujranwala	1.20	1.49	1.29	3.98
Lahore	1.32	1.65	2.83	5.79
Sahiwal	0.64	1.29	0.70	2.63
Multan	1.49	2.10	1.28	4.86
Dera Ghazi Khan	1.18	2.35	1.05	4.58
Bahawalpur	1.04	2.38	1.17	4.59
Larkana	0.66	0.80	0.51	1.97
Sukkur	0.55	0.71	0.68	1.94
Hyderabad	1.36	0.98	0.85	3.18
Mirpur Khas	0.47	0.68	0.40	1.55
Karachi	1.78	0.87	1.59	4.23
Shaheed Benazirabad	0.58	0.58	0.40	1.56
Quetta	0.16	0.21	0.33	0.70
Zhob	0.05	0.09	0.09	0.23
Sibbi	0.06	0.07	0.10	0.24
Nasirabad	0.12	0.17	0.09	0.38
Kalat	0.21	0.28	0.20	0.69
Mekran	0.07	0.14	0.05	0.26
Islamabad	0.16	0.18	0.35	0.70
All Pakistan	17.34	24.38	19.99	61.71



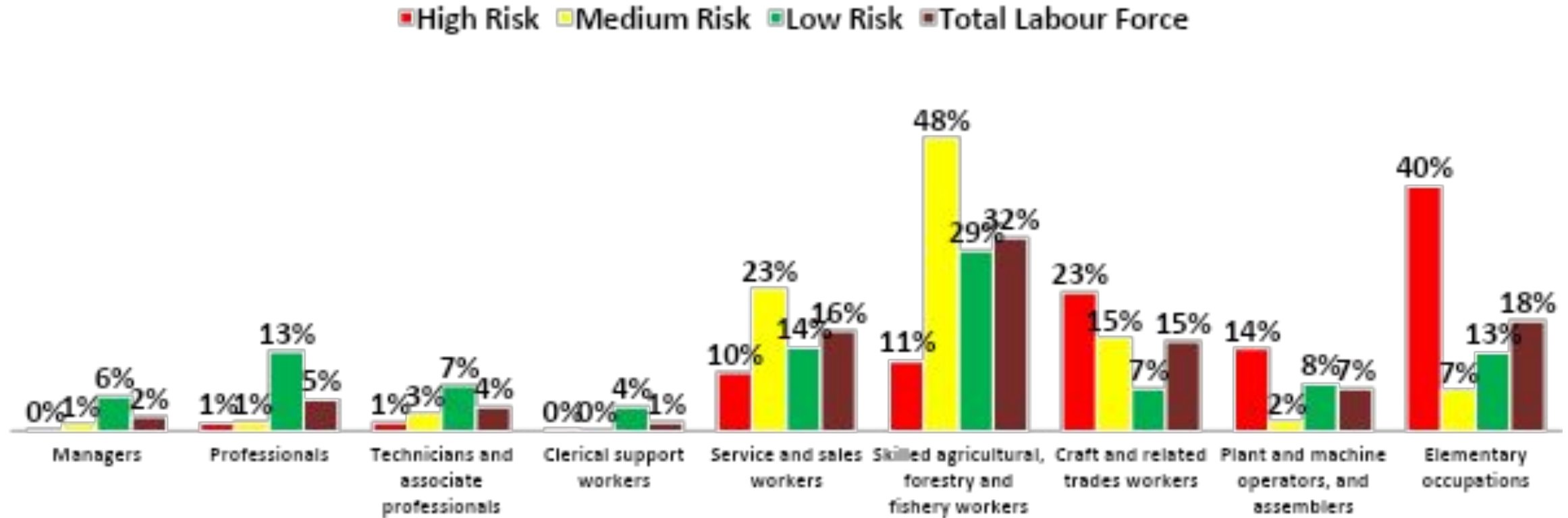
SECTION 3:

SECTORS OF EMPLOYMENT AND OCCUPATION BY RISK-LEVEL



SECTORS OF EMPLOYMENT AND OCCUPATION BY RISK-LEVEL

OCCUPATION-WISE LABOR FORCE AT RISK



- Majority of workers at high risk have ‘elementary occupation (labourers)’ and craft and trade related occupation.

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

SECTORS OF EMPLOYMENT AND OCCUPATION BY RISK-LEVEL

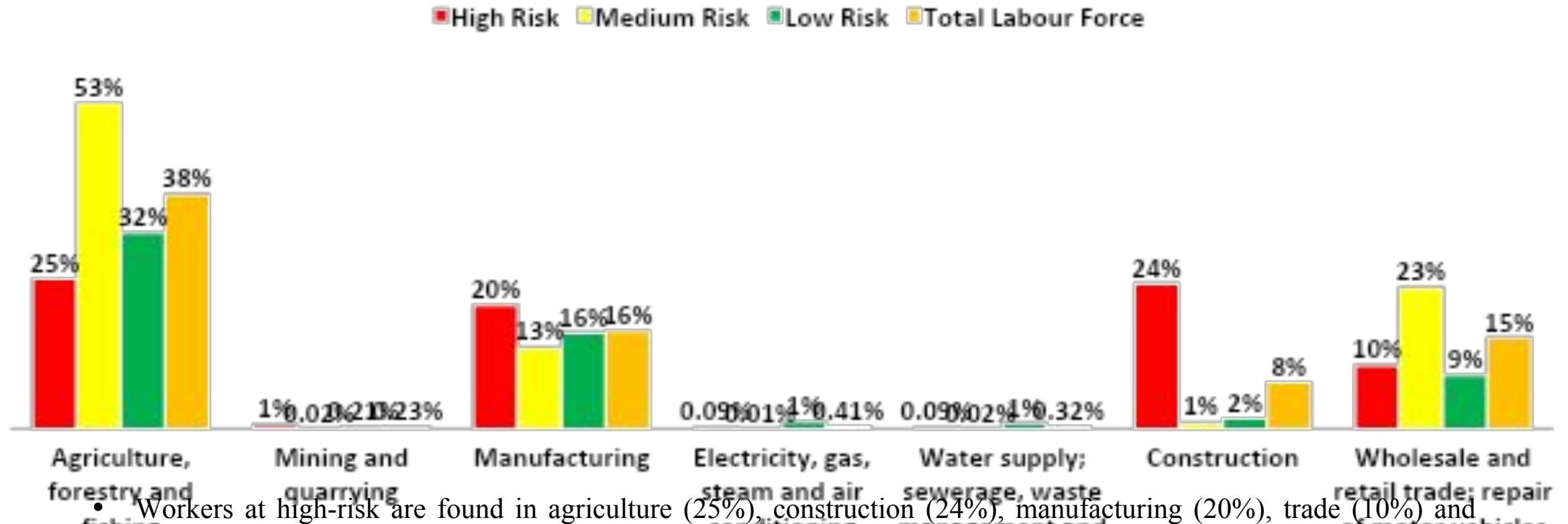
OCCUPATION-WISE LABOR FORCE AT RISK (MILLION)

Occupations	Labour force in high-risk (million)	Labour force in medium-risk (million)	Labour force in low-risk (million)	Total labour force (million)
Managers	0.03	0.26	1.11	1.41
Professionals	0.21	0.34	2.59	3.15
Technicians and associate professionals	0.22	0.67	1.48	2.38
Clerical support workers	0.06	0.02	0.78	0.87
Service and sales workers	1.65	5.68	2.72	10.04
Skilled agricultural, forestry and fishery workers	1.98	11.68	5.87	19.53
Craft and related trades workers	3.92	3.70	1.37	8.99
Plant and machine operators, and assemblers	2.34	0.40	1.53	4.26
Elementary occupations	6.93	1.63	2.54	11.09
All Pakistan	17.34	24.38	19.99	61.71

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

SECTORS OF EMPLOYMENT AND OCCUPATION BY RISK-LEVEL

OCCUPATIONAL SECTOR-WISE LABOR FORCE AT RISK

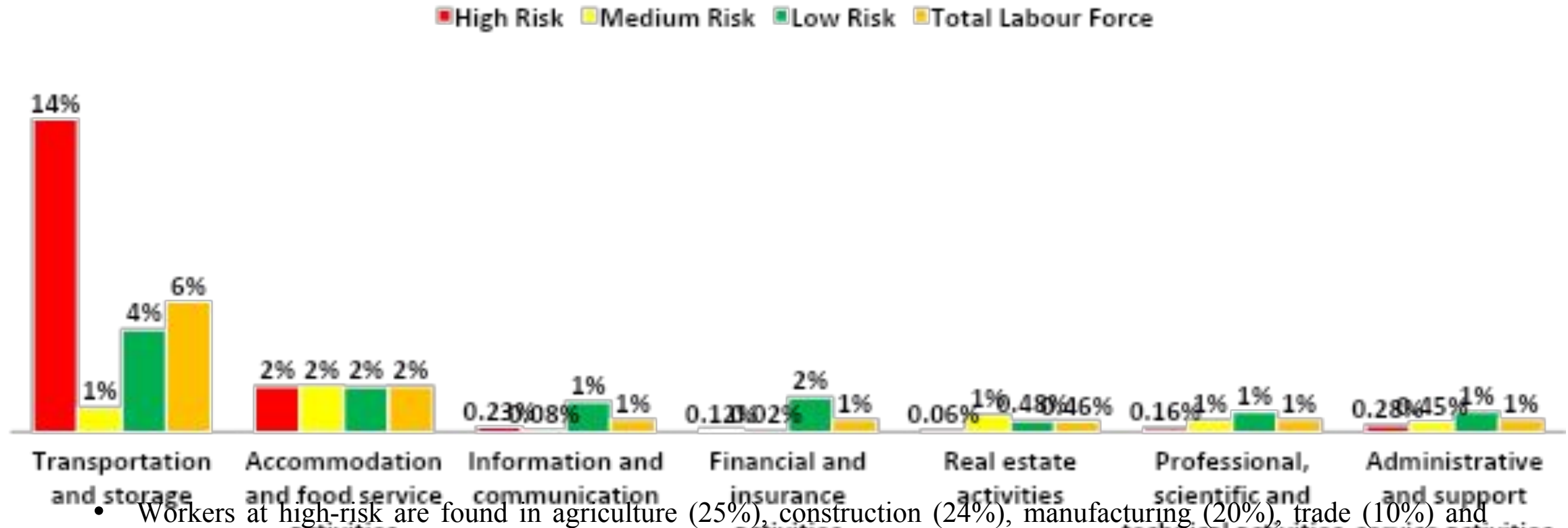


- Workers at high-risk are found in agriculture (25%), construction (24%), manufacturing (20%), trade (10%) and transport (14%) sectors;
- Workers at medium-risk are found in agriculture (53%), trade (23%) and manufacturing (13%); and
- Workers at low-risk are found in agriculture (32%), manufacturing (16%), education (12%), trade (9%) and public administration (8%).

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

SECTORS OF EMPLOYMENT AND OCCUPATION BY RISK-LEVEL

OCCUPATIONAL SECTOR-WISE LABOR FORCE AT RISK

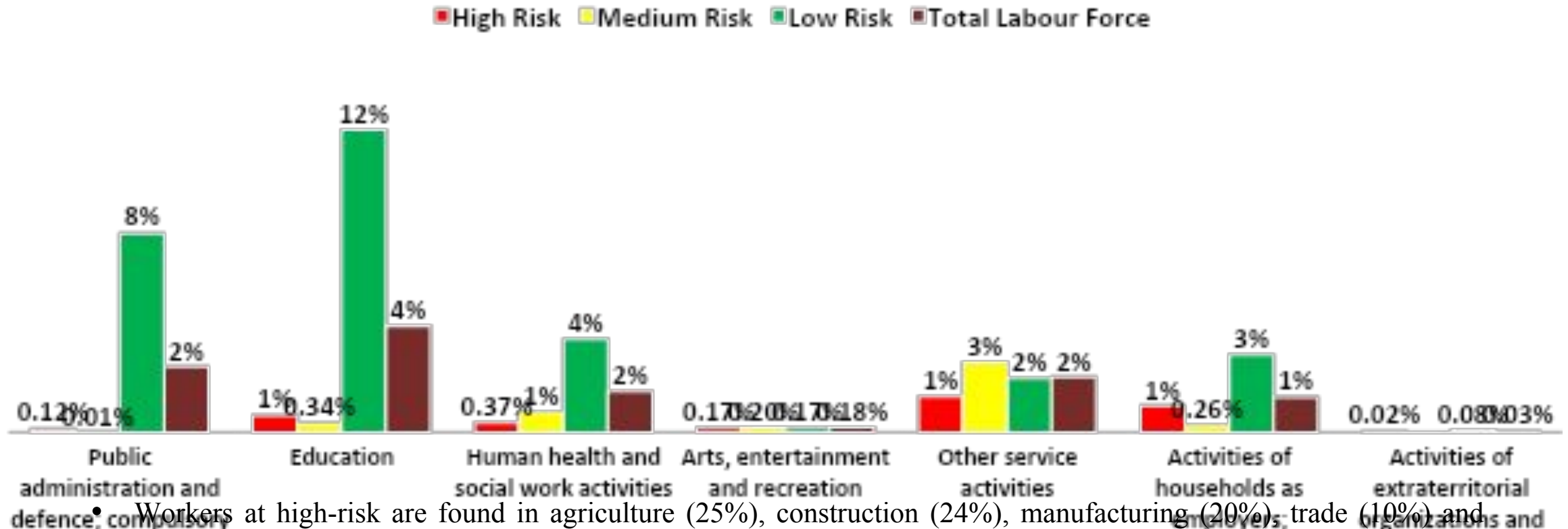


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SECTORS OF EMPLOYMENT AND OCCUPATION BY RISK-LEVEL

OCCUPATIONAL SECTOR-WISE LABOR FORCE AT RISK



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SECTORS OF EMPLOYMENT AND OCCUPATION BY RISK-LEVEL

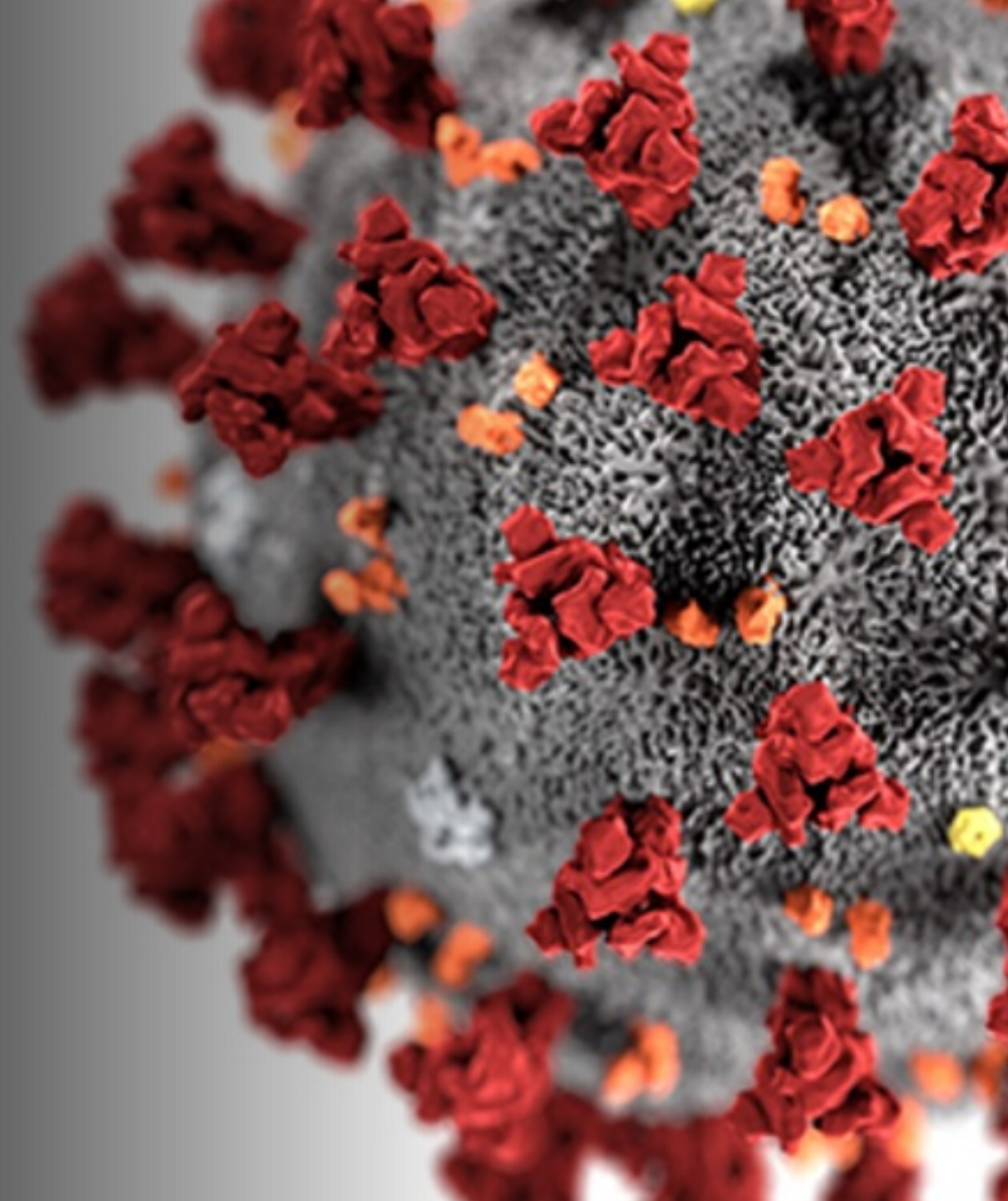
OCCUPATIONAL SECTOR-WISE LABOR FORCE AT RISK (MILLION)

Sectors of employment	Labour force in high-risk (million)	Labour force in medium-risk (million)	Labour force in low-risk (million)	Total labour force (million)
Agriculture, forestry and fishing	4.27	13.04	6.44	23.75
Mining and quarrying	0.10	0.00	0.04	0.14
Manufacturing	3.51	3.24	3.15	9.91
Electricity, gas, steam and air conditioning supply	0.02	0.00	0.23	0.25
Water supply; sewerage, waste management and remediation activities	0.02	0.00	0.17	0.20
Construction	4.14	0.23	0.33	4.70
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.81	5.65	1.76	9.21
Transportation and storage	2.36	0.25	0.89	3.50
Accommodation and food service activities	0.34	0.49	0.39	1.22
Information and communication	0.04	0.02	0.26	0.32
Financial and insurance activities	0.02	0.00	0.30	0.33
Real estate activities	0.01	0.18	0.10	0.28
Professional, scientific and technical activities	0.03	0.12	0.18	0.33
Administrative and support service activities	0.05	0.11	0.17	0.33
Public administration and defence; compulsory social security	0.02	0.00	1.51	1.54
Education	0.11	0.08	2.30	2.50
Human health and social work activities	0.06	0.18	0.71	0.96
Arts, entertainment and recreation	0.03	0.05	0.03	0.11
Other service activities	0.23	0.65	0.41	1.29
Activities of households as employers; undifferentiated goods- and services- producing activities of households	0.17	0.06	0.59	0.83
Activities of extraterritorial organizations and bodies	0.00	0.00	0.02	0.02
Total	17.34	24.38	19.99	61.71



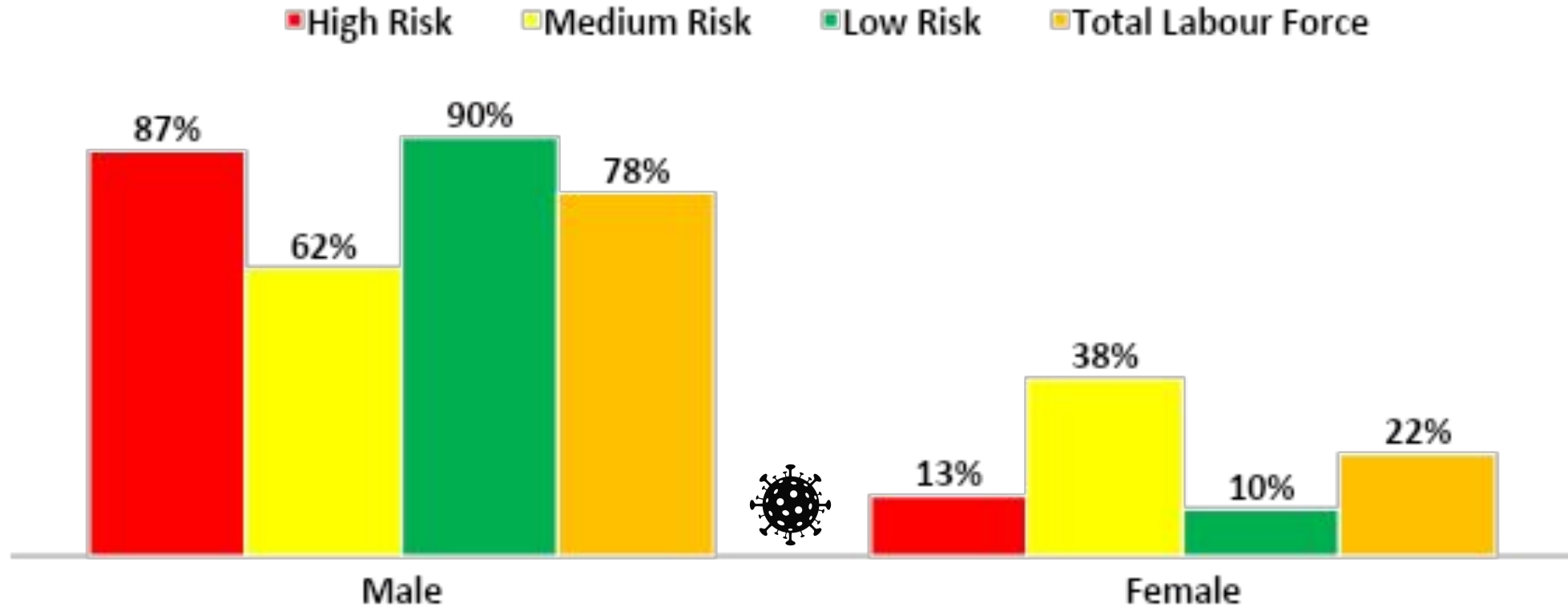
SECTION 4:

SOCIO-DEMOGRAPHIC CHARACTERISTICS BY RISK-LEVEL



SOCIO-DEMOGRAPHIC CHARACTERISTICS BY RISK-LEVEL

GENDER-WISE LABOR FORCE AT RISK

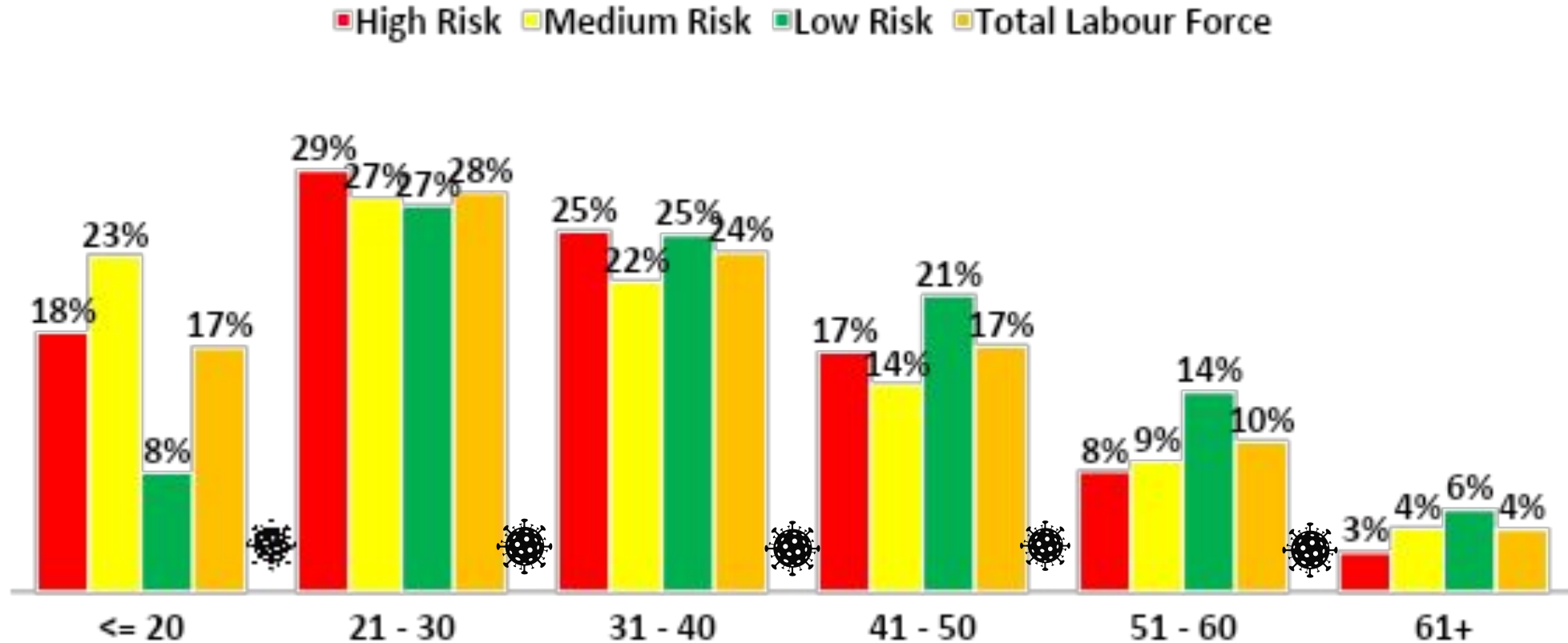


- 38% of workers in medium risk are women, who primarily work as unpaid family helpers

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

SOCIO-DEMOGRAPHIC CHARACTERISTICS BY RISK-LEVEL

AGE-WISE LABOR FORCE AT RISK

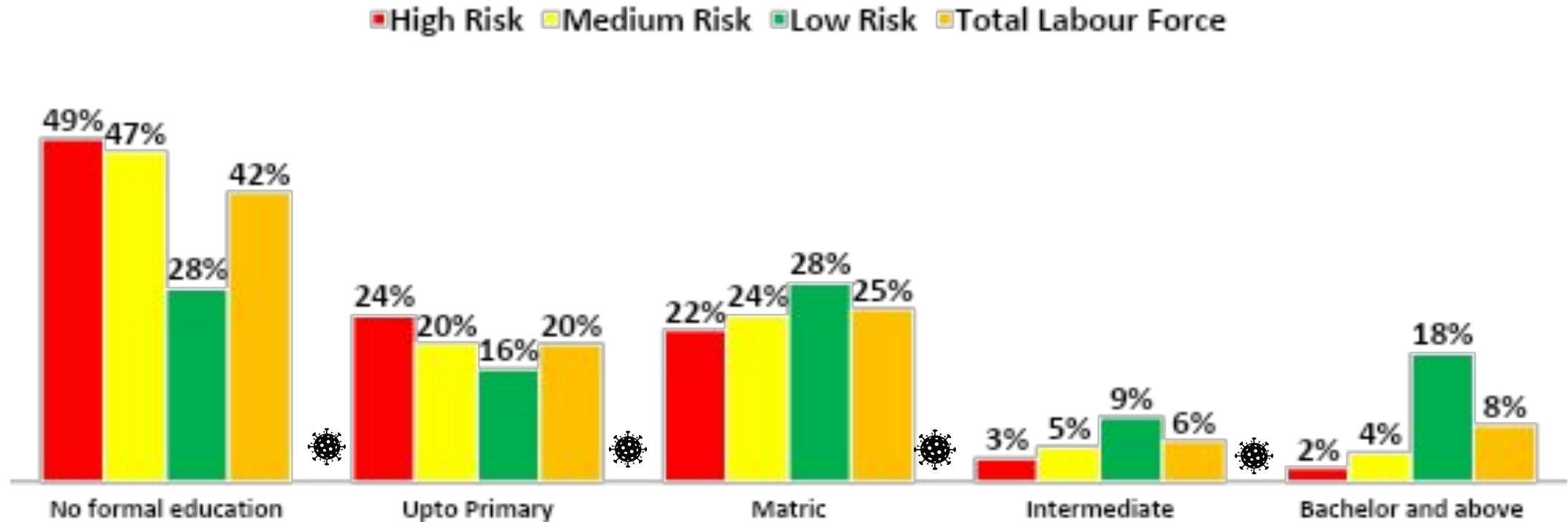


- Majority of labour force workers in 21-50 years age group

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

SOCIO-DEMOGRAPHIC CHARACTERISTICS BY RISK-LEVEL

EDUCATION WISE LABOR FORCE AT RISK

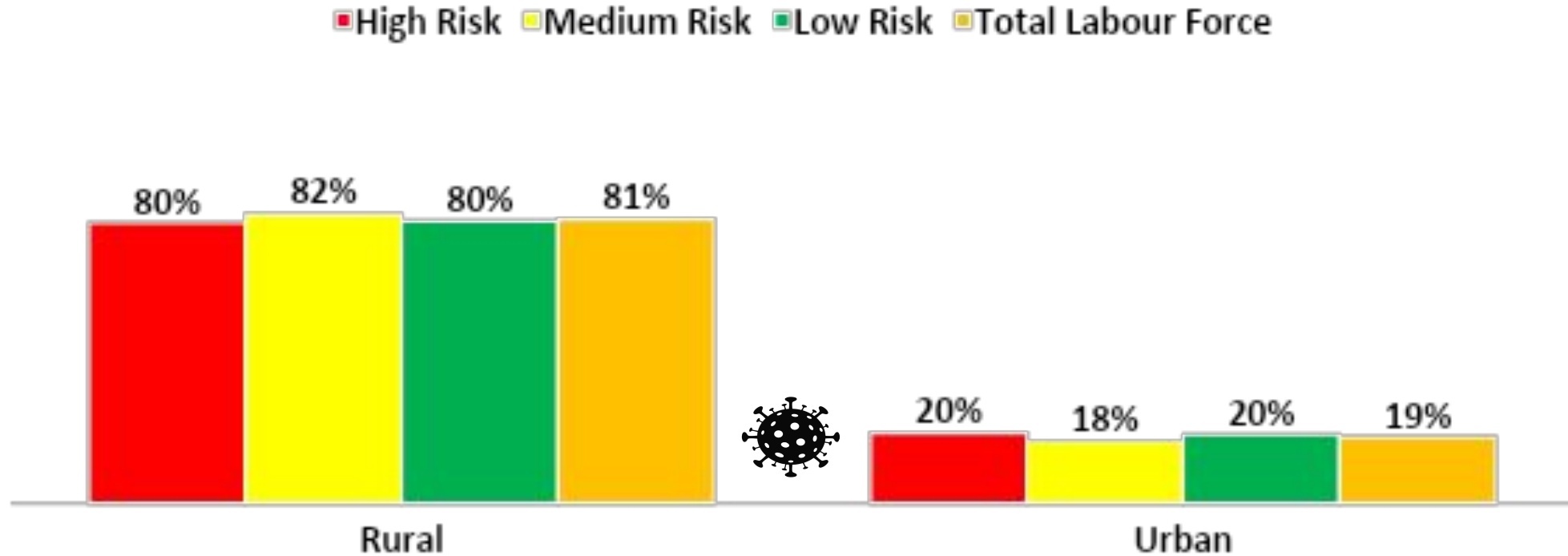


- About half of the workers at high- and medium-risk have no formal education while the corresponding proportion is 28% for the workers in low-risk
- In contrast, compared to only 2% of workers at high-risk, 18% of the workers with low-risk have Bachelor or higher-level education.

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)

SOCIO-DEMOGRAPHIC CHARACTERISTICS BY RISK-LEVEL

LOCATION WISE LABOR FORCE AT RISK

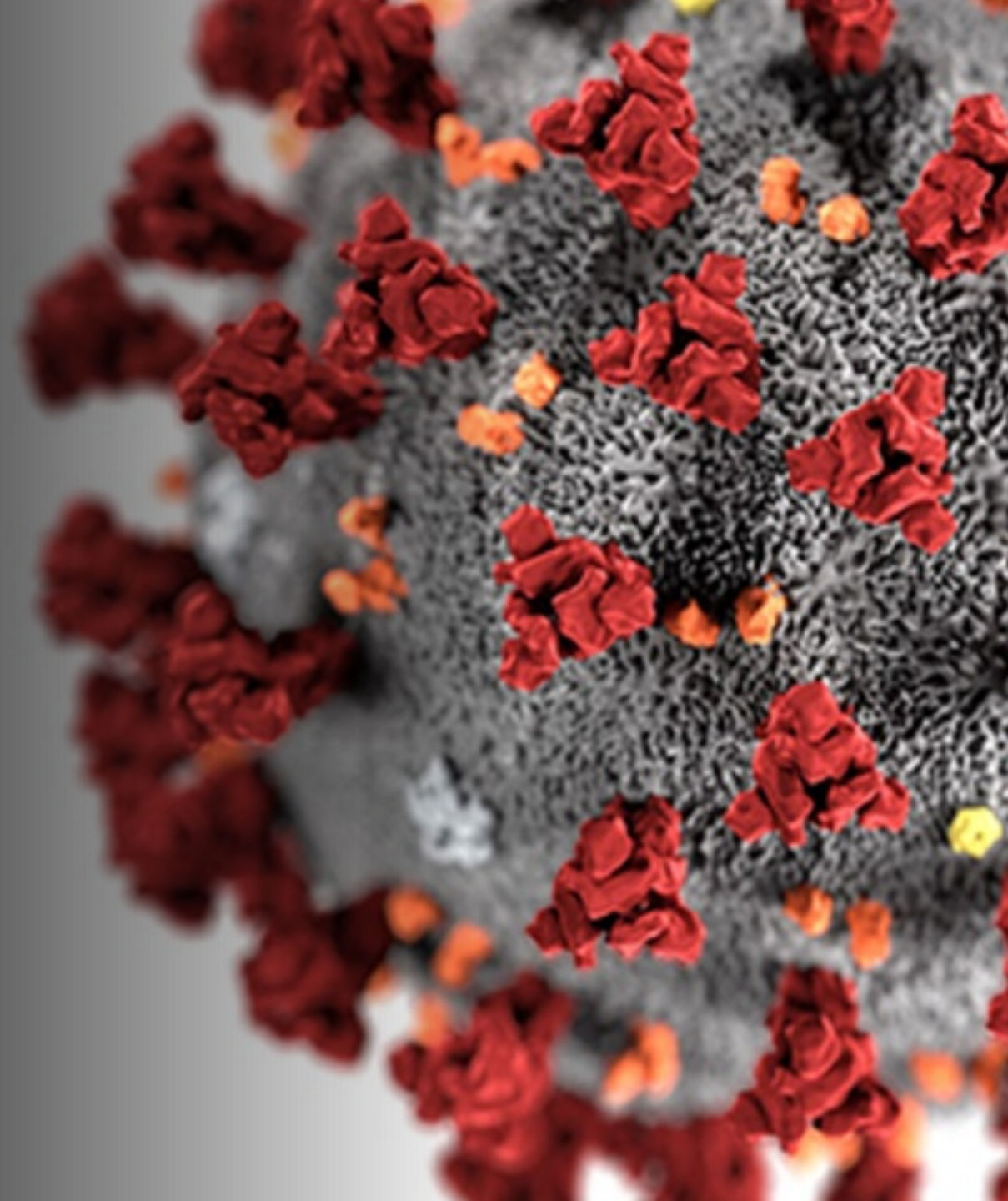


- 80% of the employed labour force in all categories is from rural areas
- There no significant association between type of location and Risk-level of labour force

Source: Labour Force Survey 2017-18 (Pakistan Bureau of Statistics)



SECTION 5: POLICY STEPS



POLICY STEPS BY THE GOVERNMENT

1. CASH TRANSFER PACKAGES
2. DAILY WAGER SUPPORT
3. CONCENIONS TO CONSTRUCTION SECTOR
4. CONCENIONAL LOAN

POLICY STEPS BY THE COMMUNITIES

1. EASILY PAYMENT OF ZARAT
2. FOOD SUPPORT IN RAMADAN IN PARTICULAR

SUSTAINABILITY OF THE SUPPORT FROM THE GOVERNMENT AND THE COMMUNITIES

1. To be continued



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