

Exploring the Issue of Vulnerable Employment in Pakistan: A Case of Female Contributing Family Workers

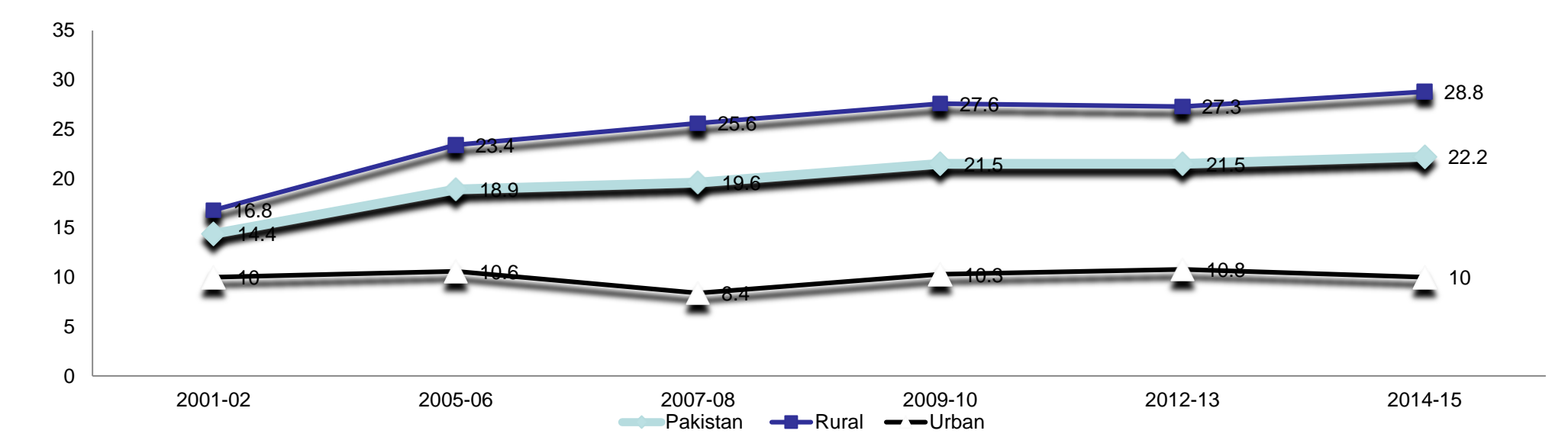
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Introduction

- The share of workers in vulnerable employment is directly linked to the share of people living in poverty (Otope; 2017).
- The unpaid family worker generally refers to a person who works without pay in a market-oriented family establishment or in an economic unit managed by a member of the family or relative.
- This person could be a housewife, an aged/elderly member of the household, a child, or any other extended family member.
- 79 per cent of the world’s employers and 68 per cent of own-account workers were male, 63 per cent of the world’s contributing family workers were female (ILOSTAT; 2018).
- 82 per cent of women in developing countries are in vulnerable forms of employment in 2017, compared to 72 per cent of men (Employment Social Outlook 2018).

Figure 1: Overall and Region Wise Trends in FLFP Rate by LFS Survey Years in Pakistan



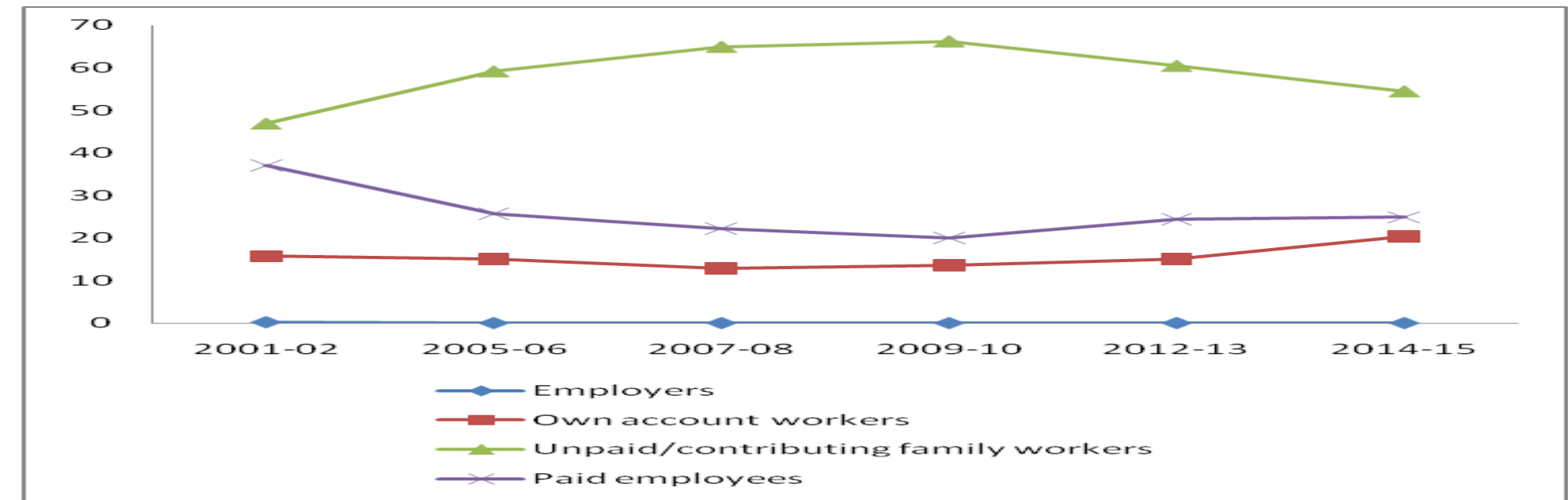
Source: Labor Force Surveys various issues.

Table 1: Employment Statuses of Women: (%)

Area/province	2001-02	2005-06	2007-08	2009-10	2012-13	2014-15
Employers	0.3	0.1	0.1	0.1	0.1	0.1
Own account workers	15.7	15.0	12.8	13.6	15.0	20.4
Unpaid/ contributing family workers	46.9	59.2	65.0	66.3	60.5	54.5
Employees	37.1	25.7	22.2	20.0	24.4	24.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Labor Force Surveys various issues.

Figure 2: Trends in Female Employment Statuses by LFS Survey Years in Pakistan



Source: Labor Force Surveys various issues.

Problem Statement

- According to LFS 2014-15 almost 55% women are working as unpaid/contributing family workers in Pakistan whereas overall only 25 % women are working as paid employees.

Objective

- In order to highlight the issue of vulnerable employment among employed women in Pakistan, we will discuss the case study of female contributing family workers and explore the factors that are affecting the high share of contributing family worker in total employment of women in Pakistan by using the data set of Labour Force Survey 2014-15.

Empirical Model & Results

- Probit model due to binary dependent variable.
- The general form of the model is:
$$y_i = \alpha + \beta X + \varepsilon$$
- Whereas y_i is 1 when a woman is working as an unpaid or contributing family worker and it is 0 if a woman is working as a paid employee.
- X is the vector represents different household and regional characteristics, those are influencing a woman to participate in labour market as an unpaid family worker whereas ε is the error term.

Table 2: Empirical Results of Probit Model

Variables	Odds ratios	Z values
Age		
Age (15-24)	-0.05	3.19
Age (25-65) (base age 10-14)	-0.10	8.53
Marital status		
Married (base never married)	0.14	13.69
Levels of education		
Primary	0.01	1.53
Middle	0.02	1.57
Matric	0.03	1.59
Above matric (base no education)	0.03	1.40
Working hours		
<= 35 hours per week (base > 35 hours)	0.16	24.21
Migration status		
Migrated (inter/ intra province) (base never migrated)	-0.06	-4.77
Household size		
Household size	0.06	8.74
Head's occupation		
Agriculture	0.18	11.08
Manufacturing	0.03	0.10
Services (base not working heads)	-0.02	1.34
Head's Sex		
Head Male (base female heads)	0.19	9.97
Region		
Urban (base rural)	-0.25	13.32
KPK	0.10	13.63
Sindh	0.11	21.27
Punjab (base Baluchistan province)	0.17	43.08

Source: LFS 2014-15

Conclusions

- Young girls who are belonging to the age group 10 to 14 years are more likely to be engaged as unpaid/contributing family workers as compared to any other age group.
- Ever married women are more likely to be engaged as unpaid/contributing family workers.
- The women are more likely to be unpaid/contributing family workers if the household head belongs to the agriculture sector and it is highly significant.
- We found that the likelihood of being unpaid/contributing family workers increases significantly in case of large household size.
- In case of migrated women workers there is less probability to work as unpaid/contributing family workers.
- Disguised unemployment as there are more chances that women are working 35 hours or below and work as unpaid/contributing family workers.

Policy Recommendations

- It is important to steer the female unpaid/ contributing family workers away from vulnerable employment towards decent wage employment over time.
- In order to address this phenomenon in a customized manner the female unpaid/contributing family workers may be segregated into two categories, those who have had no formal education and those who have some level of formal education (mostly less than Matric level of education).
- Skill development initiatives would have to be designed separately for both groups of females.
- In the long run however, there is a need to promote at least Matric level (10 years) of education at the national level for every member of the female population in order to protect them from getting trapped in vulnerable unpaid employment.