

## OFF-FARM EMPLOYMENT ACTIVITIES IN THE STUDY AREA

### Types of OFEA

The major OFEA identified in the three villages are:

- formal sector employment - including government employment, employment with banks, and other autonomous or semi-autonomous organisations;
- shopkeeping;
- daily wage-labour - involved in crop production, livestock, or poultry sectors;
- small businesses/contractors;
- afforestation activities - nursery raising, transplanting, and digging pits;
- timber harvesting, logging, loading, and sawing;
- collection of medicinal herbs, mushrooms, firewood, and fodder;
- livestock/poultry raising;
- mining;
- migration (for the winter season);
- self-employed - white collar jobs; and
- self-employed - pottery making, and operating flour mills.

The foregoing inventory of the current OFEA in the area shows a short list with limited options within the farm sector. As regards the future potential of OFEA, it can be identified in the following activities:

- horticulture,
- cottage industry and handicrafts,
- mining and quarrying,
- dairy and poultry farming,
- beekeeping,
- fisheries and sericulture,
- forest-based industries and forest-related activities,
- tourism-related industries, and
- establishment of micro-hydel power generation and distribution.

Since there is not much enterprise or private sector activity, the State is the main source of OFEA. Thus, 52 per cent of the respondents (household heads) were from government service followed by wage labour (17 %) self-employed (14 %), private services (10%), and others (7 per cent). Again, OFEA vary, largely with education, the degree of influence one exercises in securing a government job (together with the required job qualifications), and also with the size of holdings (which again is directly related to the influence one exercises in the area and in outer circles). Thus, in the surveyed households, the only OFEA for those with above 25 acres are in government service. The same is true in eight out of nine cases of those with a holding of between 12.5 acres and 25 acres. Government service was again the source of OFEA for 15 out of 22 respondents in the landholding category of five to 12.5 acres of land, while only 21 out of 56 (or 38%) in the landholding category of up to five acres were in government service and only 11 out of 30 (or 37%) in the landless category could find a government job. Only three persons responded by saying they were artisans and six were skilled workers, which shows the low level of skills and crafts in the area.

## **Contribution of OFEA to Income and Employment**

Off-farm Employment Activities (OFEA) are the only sources of income for those who are not involved in the production of crops. Even for those who are involved in the crop production sector, they are the principal source of supplemental income to agricultural earnings.

In the category of respondents who own no land, about 37 per cent are government employees who earn between Rs 15,000 to Rs 45,000 per annum in Shahpur, Rs 15,000 - Rs 30,000 per annum in Lilownai, and up to Rs 60,000 per annum in Alpuri.

The second largest group (about 17 per cent) is that of the wage labourers who earn up to Rs 30,000 per annum, followed by the self-employed (14 per cent) who earn up to Rs 60,000 per annum. About 10 per cent are in private service where the annual income is in the up to Rs 15,000 and Rs 30,000 - Rs 45,000 category (depending on the type of job they perform). The skilled workers' category earns up to Rs 30,000 per annum, followed by the "other" category (which includes employees in banks as guards) who earn between Rs 5,000 - Rs. 30,000 per year.

In the category of respondents who own up to five acres of land, of the 38 per cent who are government employees, the majority earn from Rs 15,000 - Rs 45,000 but some earn up to Rs 60,000 per year. This is followed by the wage labour group (29 per cent) who earn from up to Rs 15,000 to Rs 45,000 per annum. Their income depends upon the time of the year as, in their own villages, the demand for their services is seasonal, but they often move out during the winter months and so their earnings do not cease. About 14 per cent of the respondents are in private service and in the self-employed category. Both these groups earn from up to Rs 15,000 to Rs 60,000 in the case of private services and more than Rs 75,000 in the self-employed category. Finally, about five per cent of the respondents are in the skilled worker and artisan group. Their earnings are in the range of up to Rs 15,000 per annum.

In the category of respondents who own between 5.1 - 12.5 acres of land, the group in government service predominates (about 68 per cent) and their income ranges from Rs 15,000 -to Rs 30,000 and even reaches above Rs 75,000. The remaining 32 per cent of the respondents are spread in the skilled worker, wage labour, private service, artisan, and self-employed groups. Most of these lie in the income bracket of Rs 15,000 to Rs 30,000, apart from the self employed who fall into the income bracket of Rs 60,000 to Rs 75,000 per annum.

In the landholding group of from 12.6 - 25 acres, eight out of nine respondents in OFEA are government employees. Their lowest income bracket is from Rs 15,000 to Rs 30,000 and the highest reaches Rs 60,000 to Rs 75,000 per annum. The only other category is the artisan group for which the range lies in the Rs 15,000 to Rs 30,000 bracket.

In the landholding group above 25 acres, for whom all the OFEA are in government jobs, the income level follows a similar pattern to the 12.6 to 25 acre category (Table 16). It seems that, as the size of landholding increases, the OFEA become concentrated in government jobs. This is possibly due to the influence which the larger landholders wield in procuring government jobs, the opportunity for higher education which such a position affords them, and the simple fact of absentee landlordism.

## **Spatial Distribution of OFEA**

The spatial pattern of OFEA demonstrated by the survey shows government service to be well distributed throughout all the three villages, whereas the self-employed and private sector jobs are concentrated in Alpuri and wage labour is evenly divided.

However, behind this categorisation of OFEA are the main sectors of the local economy in which employment is sought/found. Other than the government sector, these are spatially spread as per the location of the base of these activities. Although their services are reported to occur fairly widely, right now marble is only being extracted on the gentler mountain slopes on the approach to Lilownai. Forest nurseries are concentrated in the valleys, but afforestation activities extend into the mountains. In fact, since forests are only found on the mountains, all activities relating to, or based in, the forests are similarly bound. Thus, forest harvesting, grazing, collection of mushrooms and medicinal herbs, walnuts and *chir* bark, and gathering of fuelwood and fodder are all concentrated in the mountains. There are no fishing activities at the moment. Shopping and service establishments, of course, concentrate in the valleys and valley villages and on roadsides, which are of course the main focus of tertiary activities. Fruit and vegetable growing takes place closer to the villages in the valleys.

Migratory, seasonally-based, or commuter-based OFEA, of course, take people away from the area and lend a geographically extended dimension to OFEA. According to one estimate, nearly half of the small landholders and non-agricultural able-bodied workers leave the area for a short or long stay in pursuit of OFEA. The contribution of such OFEA varies with the nature of work undertaken and the time period involved.

### *Factors Contributing to the Present Situation*

What have been the main factors which have distinguished the OFEA situation in the area? At least four factors are distinguishable.

1. Past History. Swat was a princely state until 1969, when it was merged into the North West Frontier Province of Pakistan. During that period, the State was governed by different criteria and welfare considerations for the people of different areas were incidental to the patronage extended to loyal individuals and families. As such, certain areas, especially close to the capital of the State, developed much more than far off areas. Shangla Par was one such area where the interest was confined to the forest wealth of the place only. Development, especially people-oriented development, was never a consideration. Combined with other factors, the region lagged behind in education, economic activities, and the related OFEA.
2. Government Policies since 1969. The policies of the Government since 1969 have also not been conducive to the development of the area. As such, the area remained more or less as it was in the princely period. If the people were in need of OFEA they went out of the area in search of work wherever they could find it. This had mixed effects. The migrants sent some money/remittances back home but, in the first place, such opportunities were available to a limited number of people, thus providing solutions only for the few. It had limited feedback effects apart from cash income for the directly involved households. Public sector activities in the construction sector were limited to the essential maintenance of roads. Although Alpuri has become a sub-divisional headquarters, there are few signs of physical change.
3. Geographical Situation. The geographical situation and the relative inaccessibility of the area, especially during the rainy and cold seasons, are other factors. Private investment has not been attracted and public investment has not been taking place.
4. Lack of Skills. Although the area has surplus labour, it is short of skills. In fact, skilled labour has to be imported for even relatively simple operations in forest harvesting and other related activities. Nor are there any concerted programmes for skill improvement and development.

## Non-Exploitation of Area-specific Attractions

The area abounds in scenic beauty and natural attractions but, for the reasons already mentioned, these features of the area do not become comparative advantages to attract capital and interest. Even the tourist traffic concentrates on the more accessible areas. However, once the main road going through the area to join the *Karakoram* Highway is developed and can be kept open in all weathers, the area has the potential to attract tourists and investors.