



# ► Statistical Brief

July 2023

## Overview of workers in the cargo handling subsector

### Key points

- Potential for increasing formalisation and expanding coverage of social security: LOW<sup>1</sup>
- There are an estimated 67,941 workers in the cargo handling subsector, 0.9 per cent of the total workforce
- 87 per cent of cargo handling workers are located in the informal sector
- 94 per cent of workers currently work under informal arrangements : 50 per cent in the formal sector; 100 per cent in the informal sector
- Employees make up 92 per cent of total employment
- The share of self-employment in total employment is 8 per cent (8 per cent employers, 0 per cent own-account workers)
- 56 per cent of employers are located in the informal sector
- 33 per cent of workers in the informal sector operate from a fixed location

This brief provides an overview of workers in the cargo handling subsector. It presents the estimated number of workers in that subsector as well as their distribution across various categories of interest, including sector of employment (formal, informal or households), employment status (employees, employers, own-account workers or contributing family workers), enterprise size, age group, and income quintile. It also provides the estimated social security coverage rate according to the 2019 LFS data as well as 2019 NSSF administrative data.

The information presented in this overview is derived from three principal data sources: the 2019 LFS, the 2019 SES, and NSSF administrative data. As these sources are not always consistent, we clearly indicate the data source for each graph or table presented below. For the survey data

(LFS and SES) we also specify the number of observations (N) from which the estimates derive.

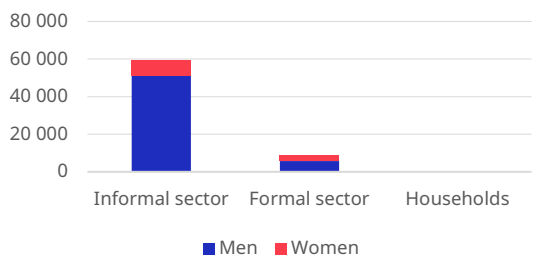
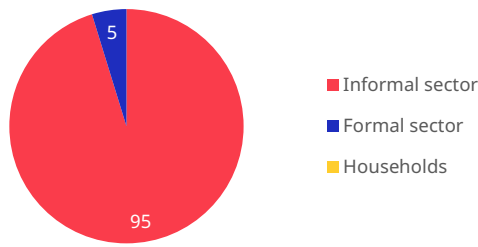
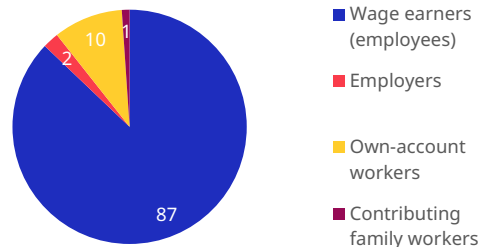
The LFS 2019 economic activity codes included for this subsector are: 5210 Warehousing and storage; 5221 Service activities incidental to land transportation; 5223 Service activities incidental to air transportation; 5224 Cargo handling; and 5229 Other transportation support activities.

This includes all activities related to warehousing and support activities for transportation, such as operating of transport infrastructure (e.g., airports, harbours, tunnels, bridges, etc.), the activities of transport agencies and cargo handling. It does not include operation of self-storage facilities, renting of vacant space or courier activities.

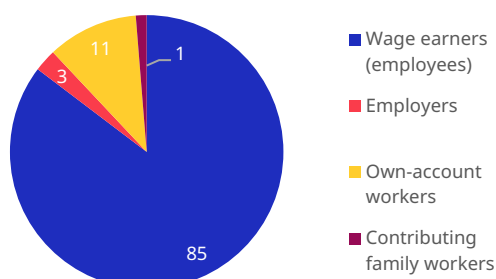
A glossary is provided at the end of this document for explanation of key terms and definitions.

<sup>1</sup> The potential for formalisation is determined by comparing the subsector to the national averages among the dimensions of (i) size of the subsector, (ii) share of self-employment, and (iii) ease of physical access.

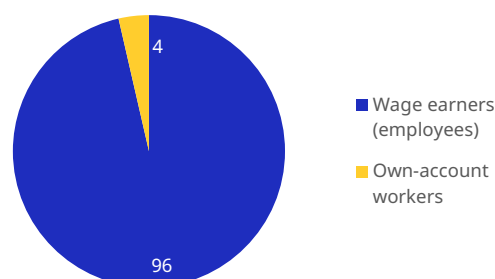
## Statistical information

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |               |                                                   |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------|------------|
| <b>Estimated Number of workers (LFS)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>67,941</b> | <b>Proportion of women workers (LFS)</b>          | <b>16%</b> |
| <b>Proportion in informal sector or Households (LFS)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>87%</b>    | <b>Proportion in bottom income quintile (LFS)</b> | <b>11%</b> |
| <div> <p><b>Number of employed workers by sector of employment</b></p>  <p>Source: LFS 2019. N=177</p> </div> <div> <ul style="list-style-type: none"> <li>Of the estimated total 67,941 cargo handling workers, 59,288 (87 per cent) work in the informal sector</li> <li>10,972 (16 per cent) of cargo handling workers are female</li> <li>There are no cargo handling workers in the household sector</li> </ul> </div>                                                                                                                                                                                                                                                                                                                                                                   |               |                                                   |            |
| <div> <p><b>Share of informal employment by sector of employment (%)</b></p>  <p>Source: LFS 2019. N=177</p> </div> <div> <ul style="list-style-type: none"> <li>In the cargo handling subsector, 94 per cent of total employment is informal employment, of which 93 per cent takes place in the informal sector and 7 per cent in the formal sector</li> </ul> </div>                                                                                                                                                                                                                                                                                                                                                                                                                     |               |                                                   |            |
| <div> <p><b>Share of employed workers by employment status (%)</b></p>  <p>Source: LFS 2019. N=177. Note: Small sample size. Results should be interpreted with caution and may not be representative of the larger population.</p> </div> <div> <ul style="list-style-type: none"> <li>Across all cargo handling workers 87 per cent are wage earners, 2 per cent are employers, 10 per cent are own account workers and 1 per cent are contributing family workers</li> <li>Men cargo handling workers are more likely than women to be wage earners</li> <li>Men are also more likely to be employers or own-account workers</li> <li>Women are more likely to be wage earners</li> <li>Around one in ten cargo handling workers are in vulnerable forms of employment</li> </ul> </div> |               |                                                   |            |

Share of employed workers by employment status - men (%)



Share of employed workers by employment status - women (%)



Number of workers by employment status, social security coverage and sector of employment

|                                        | Informal sector | Formal Sector | Household sector | Total  |
|----------------------------------------|-----------------|---------------|------------------|--------|
| <b>Wage earners (employees)</b>        | 51 195          | 7 993         | -                | 59 187 |
| <b>Employers</b>                       | 853             | 661           | -                | 1 514  |
| <b>Own-account workers</b>             | 6 514           | -             | -                | 6 514  |
| <b>Contributing family workers</b>     | 725             | -             | -                | 725    |
| <b>Total by employment status</b>      | 59 288          | 8 654         | -                | 67 941 |
| <b>Insured workers</b>                 | -               | 2 935         | -                | 2 935  |
| <b>Uninsured workers</b>               | 59 288          | 5 719         | -                | 65 006 |
| <b>Percentage of workers uninsured</b> | 100             | 66            | -                | 96     |

Source: LFS 2019. N=177

- Formal-sector cargo handling workers are more likely than informal-sector cargo handling workers to be wage-earners and employers, and less likely to be own-account workers or contributing family workers.
- Within the informal sector, 86 per cent of cargo handling workers are wage earners (employees), 1 per cent are employers, 11 per cent are own-account workers, and 1 per cent are contributing family workers.
- Within the formal sector, 92 per cent of cargo handling workers are wage earners (employees) and 8 per cent are employers. There are no own-account workers or contributing family workers in the formal sector.
- The LFS estimates that almost all (96 per cent) cargo handling workers are not covered by social security.\* This is driven by informal sector workers, 100 per cent of whom are estimated to be uninsured, compared to 66 per cent of formal sector workers.

\* This estimate may under-report the actual coverage of social security due to the fact that a significant portion (22 per cent of observations) of total wage earners (employees) within the LFS report that they do not know whether their employer contributes to social security on their behalf.

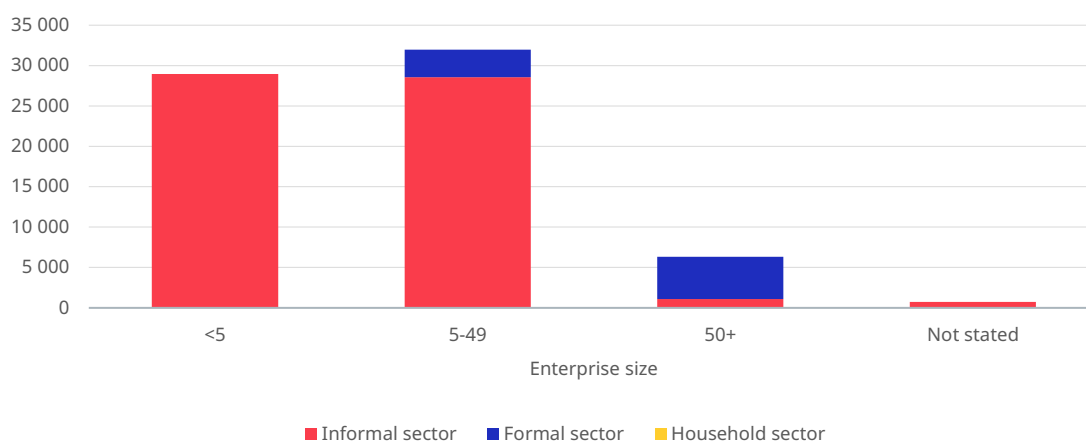
Number of workers and enterprises registered with NSSF by year



Source: NSSF.

- NSSF administrative data indicate that there were 1,711 cargo handling workers registered in 2019 from just 3 registered enterprises.
- This equates to a coverage rate of 3 per cent using the LFS estimate for total size of workforce in this subsector for that year.
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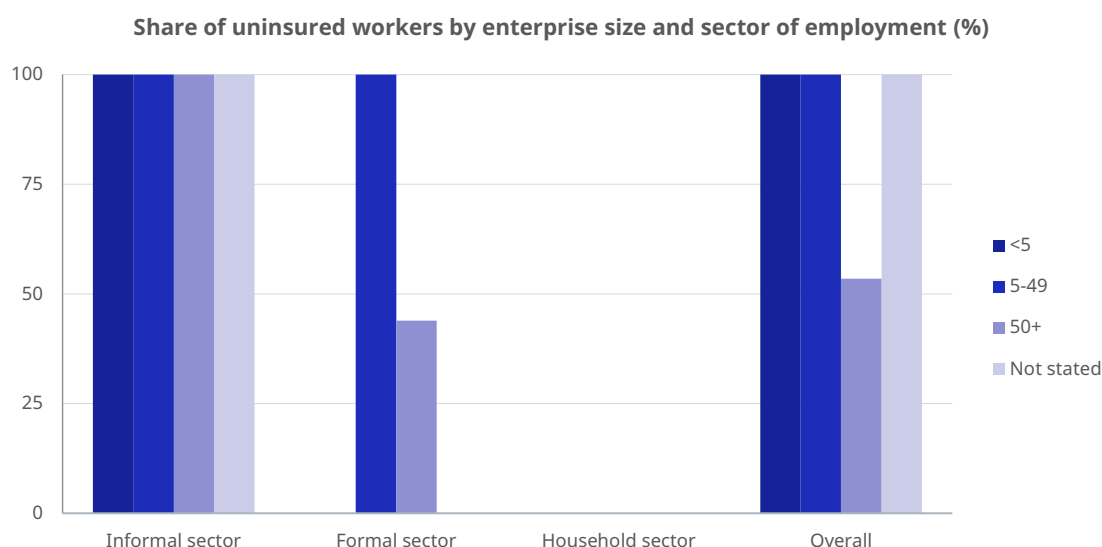
Number of workers by enterprise size and sector of employment



Source: LFS 2019. N=177. Note: Small sample size. Results should be interpreted with caution and may not be representative of the larger population.

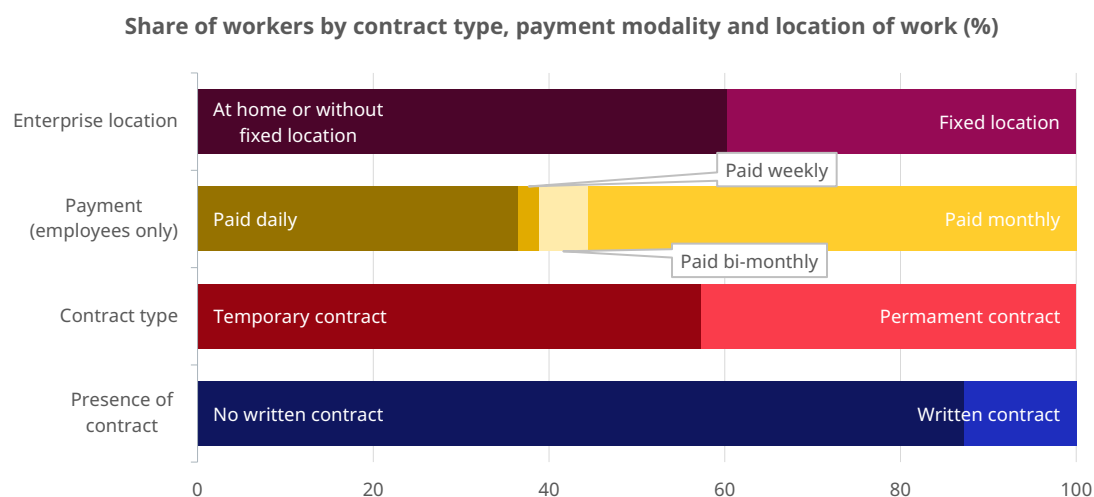
- The vast majority (97 per cent) of cargo handling workers work in micro- (<5 employees) or small (5-49 employees) enterprises (49 per cent and 48 per cent respectively). Just 2 per cent work in medium or large (50+ employees) enterprises.\*
- This is driven by the informal sector. In the formal sector, 40 per cent of cargo handling workers are in small enterprises and 60 per cent are in medium or large size enterprises.

\* Enterprise size is not stated for 1 per cent of observations.



Source: LFS 2019. N=177. Note: Small sample size. Results should be interpreted with caution and may not be representative of the larger population.

- Cargo handling workers in medium or large (50+ employees) enterprises are more likely to be insured. This is entirely driven by the formal sector.



Source: LFS 2019. N=177. Note: Small sample size. Results should be interpreted with caution and may not be representative of the larger population.

- Close to nine out of ten (87 per cent) of cargo handling workers have no written contract.
- Of those with written contracts, 57 per cent have temporary contracts and 43 per cent have permanent contracts.
- Just over half (53 per cent) of employees in the cargo handling subsector are paid monthly.
- 40 per cent of cargo handling workers work in an enterprise with a fixed location. Whereas the majority (60 per cent) work from home or without a fixed location.

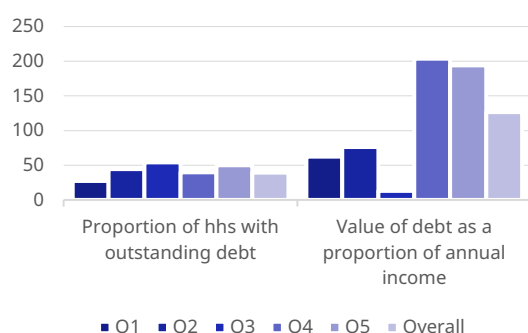
### Share of workers by income quintile and employment status (%)

| Employment Status                  | Quintile 1 | Quintile 2 | Quintile 3 | Quintile 4 | Quintile 5 |
|------------------------------------|------------|------------|------------|------------|------------|
| <b>Wage earners (employees)</b>    | 11         | 28         | 24         | 20         | 16         |
| <b>Employers</b>                   | -          | -          | -          | -          | -          |
| <b>Own-account workers</b>         | -          | -          | -          | -          | -          |
| <b>Contributing family workers</b> | -          | -          | -          | -          | -          |
| <b>All workers</b>                 | <b>11</b>  | <b>28</b>  | <b>24</b>  | <b>20</b>  | <b>16</b>  |

Source: SES 2019. N=152 (152 wage earners)

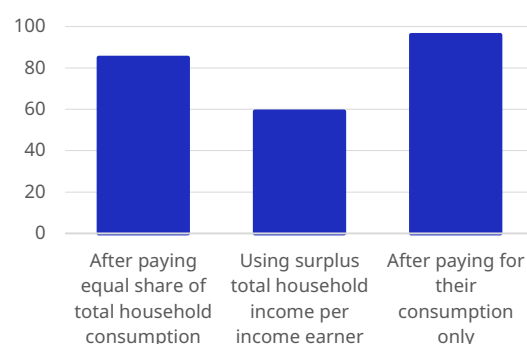
- Wage earners are concentrated across the middle three national income quintiles, with relatively fewer in the bottom and top quintiles.
- This means that three-fifths (60 per cent) of cargo handling-worker wage earners (employees) are located in the top three national income quintiles.

### Household debt by consumption quintile (%)



Source: SES 2019. N=152

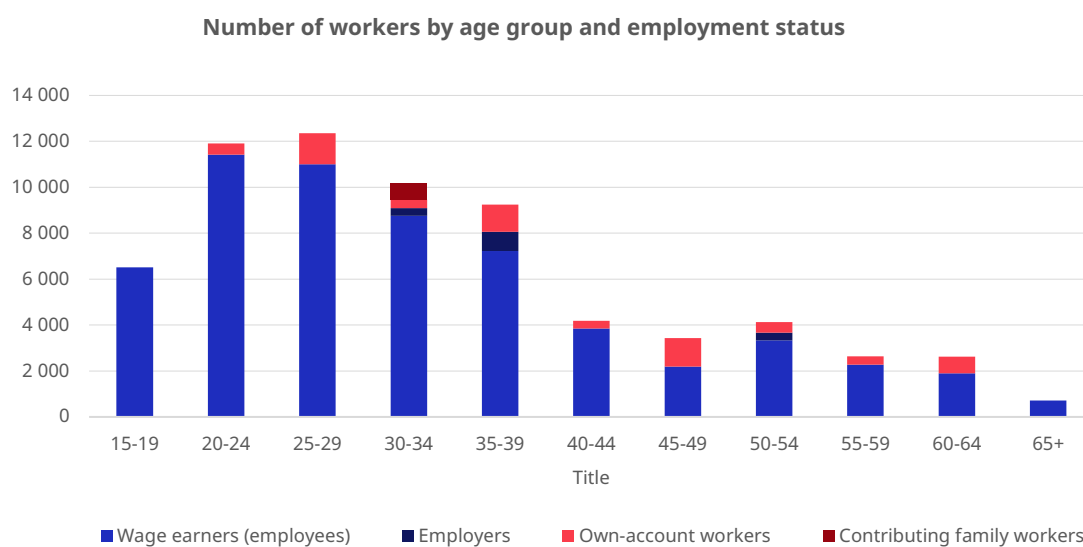
### Proportion of employees able to contribute to social security (%)



Source: SES 2019. N=152

- Some two-fifths (39 per cent) of cargo handling worker households have outstanding debt
- For households with debt, the value of the outstanding debt is worth over one year (126 per cent) of annual household income on average.
- This is driven by households in the top two income quintile. For households in the bottom three quintiles, the value of outstanding debt is worth less than one year's income.
- 85 per cent of wage earners (employees) in the cargo handling subsector could potentially afford to contribute to a NSSF pension after paying an equal share of total household consumption.\*
- 96 per cent of cargo handling employees could potentially afford to contribute to a NSSF pension after paying for their individual consumption only.\*
- This suggests that ability to pay is likely not the main barrier to participating in social security for many employees.

\* Does not account for debt burden.



Source: LFS 2019. N=177. Note: Small sample size. Results should be interpreted with caution and may not be representative of the larger population.

- Four-fifths (80 per cent) of cargo handling subsector workers are aged between 15 and 44 years.
- Youth (15-29 years) make up 45 per cent of the cargo handling subsector workforce.
- One-fifth (19 per cent) of cargo handling workers are aged between 45 and 64 years. This is especially concentrated for own-account workers (43 per cent).
- Just 1 per cent of cargo handling workers are aged 65 years and above.

## Glossary

The **informal sector** is comprised of unregistered and/or small unincorporated household enterprises engaged in the production of goods or services for sale or barter. It includes all workers in enterprises that are not registered with the relevant authorities, that do not keep a complete set of accounts, and whose workers do not benefit from social protection or other work-related benefits. It excludes households that produce exclusively for own use (e.g., subsistence farmers).

The **formal sector** comprises all those who are employed by government or international organisations; private enterprises that are producing for sale in the market and are either registered or have written accounts; private enterprises producing for sale in the market whose employees don't know if their firm is either registered or has written accounts but do know they are entitled to social security; and private enterprises producing for sale in the market whose employees don't know if their firm is either registered or has written accounts or if they are entitled to social security, but firm size is greater than or equal to 5 employees and has a fixed location in which it operates.

The **household sector** comprises those whose products from farming or fishing are used for themselves and their families only, as well as those who are employed by households as domestic workers.

For employees, **informal employment** is defined in terms of the employment relationship and refers to working arrangements that are in law or in practice not subject to national labour legislation, income taxation, or entitlement to social protection or other employment guarantees such as advance notice of dismissal, severance pay, or paid annual or sick leave.

**Wage earners** (or waged workers): Those whose employment status is 'employee', including people who work in any economic unit, including family businesses, and who receive regular pay.

**Employers and own-account workers** are considered to be in informal employment when their economic units operate in the informal sector. This means that informal employment conditions can occur outside the 'informal sector'. For example, casual, temporary, or seasonal workers who lack social insurance or other employment benefits, or who fall short of full legal status, may be informally employed even if they work in the 'formal sector'.

**Employers:** Persons who run a business and engage at least one paid employee on a continuous basis.

**Own-account workers:** Persons who run businesses but do not engage any paid employee on a regular basis.

**Contributing family workers:** Persons who work in their family business without receiving any regular pay.

Employees status in employment is generally associated with more job security and better working conditions, whereas own-account workers and contributing family workers are regarded as **vulnerable employment**.

**After equal share of total household consumption:** Share of employees in a household that can pay for the consumption of all household members and still contribute towards pension. We are taking 6.75 per cent of their income as a contribution towards pension.

**Using surplus total household income per income earner:** Share of employees whose 6.75 per cent of average income is above monthly household surplus income.

**After paying for their consumption only:** Share of employees that can contribute after their own consumption only.



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