

FEMALE PARTICIPATION IN LABOR FORCE AND ITS IMPACT ON HOUSEHOLD AND NATIONAL INCOME: EVIDENCE FROM PAKISTAN

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ABSTRACT-The objective of this study is to investigate the 'Female Participation in Labor Force and its Impact on National Income'. For this purpose, we collected data from Economic Survey of Pakistan, for the period 2005 -2015. The data was secondary in nature. The unemployment and Fertility rates are independent while female labour force participation is dependent variable. The data was analyzed through SPSS software. The result shows that with the passage of time female participation is consistently increasing and unemployment and fertility rate are decreasing It is a health sign that female labour participation is increasing and it will ultimately enhance national income. However, ratio of female participation is less as compared to South Asian countries.

key words: Female participation, Unemployment and fertility rate.

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1.INTRODUCTION

1.1. Background of study

The labor force participation has an important role in determination of socioeconomic development and poverty reduction. About half of the total population of Pakistan is consisted of females. The awareness about female labor force participation (FLFP) started over the past few decades in Pakistan. The frequency of female labor force participation is very low in the Pakistan. Female participation is increased in labor market from 4% in 1900 to 70% in 2000. Despite this progress, women labour participation is still low in Pakistan as compared to other South Asian countries.

The female participation in labor market is increased to improve their socioeconomic status. The main factors which increased female work in economic activities include technological advancements, decreasing fertility rate, narrowing gender inequality, increasing household income and structural changes in living standard. Due to these factors it is necessary to analyze the participation of females in labor market of Pakistan and its impact on economic development.

In the developed countries, participation of working ladies is equal to male labour participation while in developing countries it is unsatisfactory. In poor agricultural economies, women working ratio is high particularly in rural areas. In middle-income countries, participation of females is low in urban areas, While high female participation rates are observed in high income countries because females are highly educated and skilled and fertility rate is low low there..In urban areas, females works in different fields i.e. schools, hospitals, offices and colleges etc. these activities have the direct effects on economy. This direct participation of female in economies has brought economic success to the community as well as in the country.

1.2.Main Research Questions

Our study has the following main questions:

- Is female participation necessary for economic growth of Pakistan?
- Can female play a vital role in increasing GDP of Pakistan?
- How can we give an important and dignify status to women in the society?
- What are the factors required for the freedom of females to do jobs?

2. LITERATURE REVIEW

.Duleep and Sanders (1994) contends that the employment among American women is negatively related to the number of children and their age. Galor and Weil (1996) concluded that in labor demand Female Labor Force Participation in Muslim Countries is largely increases. In this respect the government of the Muslim Countries largely increases the female labor force participation by increasing the wage of female. Different economists discussed about female labor force participation and its impact on national income. Fadayomi (1991);. Kingdon and Unni (2001) observed that relationship between education and FLP and discovered a U-shaped relationship curve between education and labor force participation, it means that the supply of female labor is less in the start when the growth process of an economy kicks off but it will increase later when education level of female attained to a satisfactory level with the passage of time. Sasaki (2002) has said that in Japan proportion of married women is larger in the labor force there is a negative association between husband's income and female participation. Females of prosperous families don't do work outside of the home they prefer to stay at home and look after their family. Adsera (2004) found that an important progress took place in developing countries in last few decades is the increasing female labor force participation in national income. It was amounted to nearly 19.44% during 2000 up from 14.19% during 2004 and gradually raised in upcoming years .Aminu (2010) empirically tested that the presence of an

elderly female person in a family raises the probability of both male and female participation in the economy. Bibi and Afzal (2012) showed in the study that rising price of goods and rapid inflation creates financial pressure on the head of the family. Mujahid (2013) said that there is a positive relationship between economic growth and female labor force participation and consumer inflation that pulls them in labor market to fulfil their expanding needs.

3. Research Methodology

Time series data is taken from Economic Survey of Pakistan for the period 2006 -2016. This data is used to find the relationship between fiscal policy and employment generation. The data is taken from economic survey of Pakistan. Following variables are selected for this research study.

3.1 Selection of Variables

We selected the following variables for our study.

3.2 Dependent Variable

- Female labor force participation

3.3 Independent Variable

3.3.1 Unemployment level

It means how unemployment of male affect the employment of females. When male head of ant family becomes jobless, female of that family craving for jobs. So there is a negative relationship between male unemployment and female employment.

3.3.2. Fertility Rate

It is generally observed that fertility rate of women

3.4 Specification of model

The econometric model of our study is as under-.

$$FLFPI_{i,t} = \alpha_i + \beta_1(UNE) + \beta_2(FER_{i,t}) + \epsilon_{i,t}$$

The country included in this analyses is Pakistan where

FLFP = Labor force participation rate, female (% of female working ages 15-64)

FER = Fertility rate, total (births per woman)

UML = Unemployment, male (% of male labor force)

a = Intercept of slope

B1, B2 = coefficient of FLFP

e =error term

4. REGRESSION ANALYSIS

4.1 R² and ADJ R²

Table 1 Model Summary

Model	R	R ²	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.937 ^a	.878	.844	.49326	1.293

a. Predictors: (Constant), FR, UNE

b. Dependent Variable: FLFP

The value of R shows strong relationship between dependent variable (FLFP) and independent variables UNE and FR. The value of R² shows the goodness of fit of the model. It means one unit change in independent variable causes 87 percent change in dependent variable.

Table::2 ANOVA Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	12.309	2	6.154	25.295	.001 ^b
Residual	1.703	7	.243		
Total	14.012	9			

Dependent Variable: FLFP F

Female Labor Force participation its impact on national income

b.Predictors: (Constant), UNE Due to male unemployment FLFP increases , FR Due to FLFP Fertility Rate decreases

The F ratio in the ANOVA results in. the table shows that the independent variable is statistically significantly predict about the dependent variable $F(2,70)=25.295$ $P < .001$ the regression model is good fit of the data.

Table: 3Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	34.608	1.968		17.589	.000	29.955	39.260
1 FR	-3.723	.562	-.878	-6.631	.000	-5.051	-2.396
UNE	-.283	.151	-.248	-1.874	.103	-.640	.074

a. Dependent Variable: FLFP

Unstandardized coefficients indicate how much a variable varies with an independent variable when all other dependent variable considered constant. Consider the effect of FLFP. Unstandardized coefficient for beta for Fertility rate - 3.723, this means that a reduction in fertility rate increase female contribution in national income.

5.CONCLUSIONS

We conclude that when more women work, economy will grow. An increase in female labor force participation will result in faster economic growth. Our results show that an increase in the share of income controlled by women, either through their own earnings or cash transfers, changes spending in ways that benefit children. Increasing women and girls' education contributes to higher economic growth. Despite being paid, women worked more than men at home and have less time for herself but, for the majority of women, important gains in education have not translated into better labor market outcomes. Women tend to have less access to formal financial institutions and saving mechanisms. Women continue to participate in labor markets on an unequal basis with men. In 2013, the male employment-to-population ratio stood at 68.9 %. Globally, women were paid less than men. The fact is that women are more likely to engage in uneconomic and low-productivity activities and to work in the informal sector, with less mobility to the formal sector than men so the participation of female labor force in national income is less than men. Women as economic dependents; and the likelihood that women are in unorganized sectors or not represented in labor union. It is calculated that if women increase their income they will participate well, if the participation gap and the wage gap between women and men were closed the people will become prosperous and economy will grow. Women bear disproportionate responsibility for unpaid care work. Women devote more a day to housework than men; the amount of time a day to care for children, elderly, and the sick and household is greater, and less in a day to market activities. Women care their children and other family members due to these reasons they could not participate in the labor force, that's why participation of female is less as compared to men. Educated unemployment of male in a house and low fertility rate are the factors that have direct impact on women's participation in the labor force.

Gender inequalities in time use are still large and persistent in all countries. When paid and unpaid work are combined, women in developing countries work more than men, with less time for education, leisure, political participation and self-care. Despite some improvements over the last 50 years, in virtually every country, men spend more time on leisure each day while women spend more time doing unpaid housework.

6 Policy Recommendation

The policy recommendations are outlined in the followings:-

1. The fiscal policy may be framed in such a way that maximum funds may be spent on development projects in order to reduce unemployment.
2. Adequate number of training and educational institutions may be established for improvement of education and skills of women.
3. Special quotas may be fixed for educated and professional women in lucrative and administrative jobs.
4. Female discriminatory laws and practices should be abandoned.

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CONTRIBUTION OF AHTORS AND CONFLICT OF INTEREST

This research work was carried out in collaboration between two authors.

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