Women’s Contribution to the Family Budget: Informal Labor Market in Pakistan (A Case Study of Bahawalpur District)

Thesis submitted by

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Dedicated

to

Sakina*

*Who was spreading stones on the road for the smooth through for development of Bahawalpur. Her infant was sleeping on roadside under the shadow of basket of stones. Sakina was day dreaming of pacca (cemented) house for her family.
Acknowledgement

I am grateful to Allah Subhana Hu Wa Tala who gave me the courage to see and study the daughters of Hawa who are struggling for survival of their families that is ultimately connected with the economic support at the national level.

I would like to acknowledge the supervision provided by Prof. Dr. Shahnawaz Malik. I would specially like to thank the co-operation received from my colleagues in Department of Economics, The Islamia University of Bahawalpur. I also acknowledge the help and co-operation of my children to complete this thesis.

Last but not least, I would like to thank the women interviewed for their time and patience with the study’s numerous questions. Their co-operation is gratefully acknowledged, without their help this study would not have been possible.

Tasnim Kausar
Declaration

I hereby declare that the work described in my thesis “Contribution of Women in Family Budget: Informal Labor Market” has been carried out by me under the supervision of Professor Dr. Shahnawaz Malik.

I also hereby declare that this thesis has been submitted for any degree elsewhere. Five copies of this thesis are submitted for further processing.

Tasnim Kauser
Statement

It is certified that the work contained in this thesis entitled “Contribution of Women in Family Budget: Informal Labor Market” has been carried out under my supervision by Tasnim Khan and is approved for submission in fulfillment of the requirement for the degree of Ph.D. in Economics.

Prof. Dr. Shahnawaz Malik

Supervisor
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# Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAC</td>
<td>Bangladesh Rural Advancement Committee</td>
</tr>
<tr>
<td>BRI</td>
<td>Bank Rakyat Indonesia</td>
</tr>
<tr>
<td>FBS</td>
<td>Federal Bureau of Statistics</td>
</tr>
<tr>
<td>FINCA</td>
<td>Foundation for International Community Assistance</td>
</tr>
<tr>
<td>GCGE</td>
<td>Gendered Computable General Equilibrium</td>
</tr>
<tr>
<td>GDI</td>
<td>Gender Development Index</td>
</tr>
<tr>
<td>HRCP</td>
<td>Human Rights Commission of Pakistan</td>
</tr>
<tr>
<td>ICLS</td>
<td>International Conference of Labor Statisticians</td>
</tr>
<tr>
<td>IFPRI</td>
<td>International Food Program Research Institute</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organization</td>
</tr>
<tr>
<td>MHDC</td>
<td>Mehboob ul Haq Development Center</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non-Governmental Organizations</td>
</tr>
<tr>
<td>NSSO</td>
<td>National Sample Survey Organization</td>
</tr>
<tr>
<td>OLS</td>
<td>Ordinary Least Square</td>
</tr>
<tr>
<td>PIHS</td>
<td>Pakistan Integrated Household Survey</td>
</tr>
<tr>
<td>RLE</td>
<td>Rural Labor Enquire</td>
</tr>
<tr>
<td>SAM</td>
<td>Social Accounting Matrix</td>
</tr>
<tr>
<td>SES</td>
<td>Socio-Economic Survey</td>
</tr>
<tr>
<td>SPDC</td>
<td>Social Policy Development Center</td>
</tr>
<tr>
<td>SPFIML</td>
<td>Semi Parametric Full Information Maximum Likelihood</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>UNFPA</td>
<td>United Nations Fund for Population Activities</td>
</tr>
<tr>
<td>UNIFEM</td>
<td>United Nations Development Fund for Women</td>
</tr>
</tbody>
</table>
Abstract

The contribution of women working in informal sector has been on the agenda of national and international organizations for over two decades, but progress in measuring it has been slow. Collection of data, on the informal sector is an arduous task (in the past the sector has been considered immeasurable) especially for women. The definition of informal sector and its implication of data collection are also relevant. In this study we are concerned with women contribution in family budget. We have calculated the contribution of women in household budget. The typology of work in informal sector varies form region to region. We concluded that women involved in ladies dress-making are comparatively in higher ratio and contributing more. The ladies dress-making is a traditional profession of informally employed women of Bahawalpur. Applying OLS model on primary data from urban and rural areas of Bahawalpur, we have analyzed the determinants of contribution of women in household budget. It is found that married women, women as head of household, having assets, good health status and belonging to nuclear families are contributing more to their household budget. There exists also a positive relationship between the contribution of women and unemployed husbands, presence of infants in the household, the utilization of loan by household, and urban locality. The presence of school-age children, presence of adults (male and female), and husband’s educational status negatively affects the contribution. The determinants of contribution are different for urban and rural areas. It is proposed to intervene by government for education of informal sector women, provision of assets and loan, health facilities by public sector and implementation of minimum wage legislation in informal sector.
CHAPTER 1

INTRODUCTION

The introduction of the issue of the research is discussed in the first and foremost chapter of the study. The significance of female labor force participation for an economy and advantages of it to the household are discussed in this chapter. The concept of informal labor market and female activity in this sector is described. The state of the women labor force participation in informal sector of Pakistan has also been explained in the same chapter. In the last plan of the study is chalked out.

The issue of women recognition as productive members of the household economy is issue of the recent times in developing countries. The importance of women participation in economic activities is evident from the fact that, there is a positive relationship between women productive work and the level of development achieved. Women are nearby half of the total population and their participation has critical importance in determining the rates of savings, investment and production.

The women labor force participation is regarded as a family decision, in which entry to and exit from the labor force is not related directly to the herself. The cultural values and social roles assigned to individuals are involved in the decision of families to send their daughters and wives to work (Fafchamps 2003; Alderman and Chishti 1991; Sultana, et. al. 1994; Khandker 1998). The idea of women’s “Proper Place”
with its connotation of complete dependency and idealized femininity exist. Empirical evidences from a number of countries have established the fact that women are the most disadvantaged creature in society. The female deprivation is attributed to social and cultural norms (Filmer et. al. 1998; Dreze and Sen 1995).

It is further evidenced (see for instance, Kabeer 1991; Mason 1985; Jaffery 1992) that if sufficient opportunities are provided to women to improve their productivity, the following positive results can be gained:

- The more they earn, the more they seem to be valued within the family
- The more they earn and control income, the better their children seem to enjoy in terms of higher educational standards, low mortality rates and better health.
- The process of economic development can be enhanced, if the productivity of women is increased, through better access to inputs and services.
- Almost fifty percent of man power potential can be fully utilized in building up of nation.

The emancipation of women is an issue of concern to government international agencies and women themselves. The strategies to enhance the women's position should be based on the reality of women's lives, not simply assumptions. Consequently it is important to analyze all available data and research findings on the situation of women workers. It also needs accurate data collection, which will provide information about women workers. Actually gender based hierarchies limit women's access to productive resources, income, employment, knowledge and opportunities. The poor women are allocated the most tedious, labor intensive and poorly rewarded work inside and outside the home. The situation demands that
policies and plan should be developed, which enable women to participate fully in social and economic activities. Their labor work and potential must be positively recognized, and utilized for economic development, and this manpower potential should be taken as an asset for the nation, rather than liability as women are considered since ages. This study would be helpful to reveal certain factors responsible for enhancing women contribution in household budget.

1.1 Informal Labor Market

In developing countries a sizeable chunk of labor force is employed in informal labor market, which has increased largely in relative and absolute terms. It covers a vast unregulated sector of the economy (see, Amin 2002). The growth of informal labor market in developing countries is linked with the flow of labour from rural to urban areas. This urban rural migration is influenced by the need to provide low cost goods and services for those employed in the formal sector. In early studies the informal sector was discussed in the context of its role in the development process. The optimistic view was based on its role in the generation of employment, providing income opportunities to the urban poor, expansion of non-agricultural employment, satisfying the survival needs of the poorest section of the society. In the current debates, studies have much emphasized upon informal sector’s role in stimulating the growth of the market economy and dynamism. In Pakistan, 73 per cent of all economically active females and 61 per cent of all working women, in urban areas are involved in the informal sector (Khan, et. al. 2001). It consists of unregistered home-based small establishments that yield only subsistence level output. However, in this sector wage employment as well as self-employment is found, characterized by low
level of education and skill. The informal sector definitions can be classified into three categories.

- The enterprise approach, defines informal sector according to the size of the enterprise, which includes enterprises below a certain size of employment (most often 10 persons). It’s a definition of informal sector from operational point of view.

- According to the employment status approach, the informal sector labour force is comprised of self-employed, own-account workers, wage-workers, unpaid family-workers and piece-rate workers. The units comprising of one person units (own account workers) two to four persons units (micro enterprises), and five to nine persons units (small scale enterprises) (see, Amin 2002).

- Labor status approach is based on the assumption that labor protection laws do not cover some categories of labour which include piece-rate workers, own-account workers, unpaid family members and self-employed.

Definitions of the informal sector can vary across countries depending upon the political, economic, cultural and social differences. These differences seem to be strongest between developed and under-developed countries. That is why, studies of the informal sector in developed and developing countries of the same phenomenon have shown contradictions and inconsistency.

The term informal sector labor and self-employment are sometimes used synonymously, although they are not necessarily the same thing. For many informal sector workers (perhaps the majority) working conditions and the terms of labor are exploitative. The majority of informal sector labor survives at subsistence level
There is a little legislation concerning working conditions, work place, safety or minimum wage rates, and little or no enforcement of existing legislation (ILO 1972).

Hart (1973) was the first to introduce the terminology of informal sector in the academic literature by distinguishing informal from a formal sector and defined informal workers as the sum of the self-employed, unremunerated family workers and domestic servants. He has emphasized that informal sector activities are basically labor intensive. International Labor Office adopted Hart’s terminology and emphasized the crucial importance of informal sector in providing a wide range of low cost, labor intensive, competitive goods and services.

The pioneer research on the informal sector is considered to be the Report of The International Labour Office on employment in Kenya (ILO 1992). It has defined the informal sector as the sum of all income-earning activities with the exclusion of those that involve contractual and legally regulated employment. The introduction of the concept helped to recognize the importance of incorporating informal sector activities that were ignored in models of development and in national income accounts, though the extent of the significance of the informal sector and its relation to the formal economy has remained the issue in economic literature.

The informal sector is defined as the set of economic units that do not comply with government imposed taxes and regulations. The central feature is that it is unregulated by the institutions of society in a legal and social environment in which similar activities are regulated (De-Soto 1989; Swaminathan 1991; Feigi 1981).
Sathuraman (1976) has taken the size of activity in terms of the number of people employed as a base to define the informal sector. He claims that employment of less than ten persons should be considered a part of the informal sector. The main feature of the informal sector activities is the small scale of operation. But this criterion has not been used in researches of the informal sector in developed countries.

Breman (1980) emphasized upon “ease of entry” as a basic characteristics of the informal sector. It has been taken as a main advantage of the informal sector. It leads to autonomy and flexibility and the participants have the freedom of operating their own business and flexibility regarding hours or days of work. The definition of small scale of operation has not been used mostly in research studies of developed countries. This is most likely a consequence of the fact that small-scale activities dominate in the informal sector of less developed countries. The informal sector in less developed countries generates low income and it is mainly a survival sector.

Feige (1989) used the term underground economy for informal sector. Informal economy includes all economic activities which because of non-reporting or under reporting remain out of social measurement apparatus most notably the GNP accounts (Tanzi 1989). These researchers have taken the tax evasion criteria to define the informal sector in which it is the sum of all unreported taxable income with the intention to avoid payment of taxes (Singh 1973). Here the legal status of economic activities is the main factor to differentiate formal sector with informal sector.
Harding and Jenkins (1989) has defined the informal sector activities which maintains competitiveness and flexibility, having low cost of labor, putting downward pressure on wages in the formal sector, but the productivity of capital is very high and substantial personal income is generated. He concluded that the rapid growth rate of output can be obtained if informal sector activities are encouraged.

Swaminathan (1991) has defined the informal sector enterprises as establishments which are unregistered and unlicensed. He concluded that the primary reason to start the researches in developing countries on informal sector is related to the problems of mass poverty and unemployment because the occurrence of the informal sector is caused by survival.

Kaufmann and Kaliberda (1996) have concluded that the informal sector is mostly a survival sector where the short turn-over dominates and the long term, large-scale vital investments do not take place. It generates low income, characterized by marginality and poverty. That is why it is considered to be a source of unproductive labor having residual character, although it has a potential for development.

Renooy (1990) defined the informal sector in which subject undertakes activities, which may or may not lead to transactions, from which payments may or may not result, but produce income, that may be used in various ways. He claimed that there are two factors which are responsible to determine the decision of a person to be active in informal sector. The structural factors consist of financial and social pressure and institutional constraints. The opportunity factors entail free choices, individual
background, skills, education, cultural traditions, values, social roles and geographical factors.

Ranis and Stewart (1999) has divided the economy into two parts, a modernized dynamic component and a traditional stagnant sector. He has taken the informal sector as a disadvantaged segment of a dualistic labor market Dualism appears when large firms pay wages above market clearing levels.

The Federal Bureau of Statistics, FBS (1998) has defined the informal sector, as a sector consisted upon units which are engaged in the production of goods and services, with the primary objective of generating income and employment. Furthermore the units operate at small scale, having no intention of evading payment of taxes. It has defined the informal sector employment as persons working in unincorporated enterprises, owned by own account workers irrespective of the size of the enterprise or by employers with less than 10 persons engaged. So informal sector includes all household enterprises operated by own account workers and employers with less than 10 persons engaged in production activities, excluding agricultural or non-market production.

The International Conference of Labour Statisticians (ICLS) has adopted a definition in which the informal sector was restricted to non-agricultural activities (Charmes 1996). It may be summarized as:

- Informal self-owned enterprises that may employ family workers, and employees on occasional basis, for operational purposes and, or only those that are not registered under specific forms of national legislation (factories or
commercial acts, tax or social security laws, regulatory acts, and laws or regulations established by national legislative bodies).

- Enterprises of informal employers which may employ one or more employees on continuous basis and which comply with one or both of the following criteria: size of the establishment below specified level of employment (defined on the basis of minimum size requirement embodied in relevant national legislation and other empirical or statistical practices); the choices of upper size of limit taking account of the coverage of statistical enquiries in order to avoid an over lap, and/ or non-registration of the enterprises or its employees.

Malik and Nazli (1999) have defined the informal sector by the structure of the organization and the size of the establishment. This includes family enterprise, industrial establishment with less than ten workers and non-industrial establishments with not more than twenty workers. Ahmed (1993), Shaheed and Mumtaz (1981) have included piece rate women workers into the domain of the informal sector. The definition of informal sector adopted by Kemal and Mehmood (1993) is enterprise or unit oriented. Their emphasis is that the working conditions in the informal sector are not regulated by any contract and workers do not have access to the benefits of formal employment such as fixed wages and security of employment. The level of earning is low as compared with the formal sector.

Different studies have defined the informal sector in distinct ways. Statistics, macroeconomics, sociology, criminology and finance give it a different meaning. So a single definition is not sufficient. That is why the informal sector is defined in
accordance with the problem at hand, which includes all activities that take place outside the formal sector (marginal or residual activities).

1.2 Women in Informal Labor Market in Pakistan

The intensive absorption of women and children in informal labor market is one of the major characteristics of informal sector. According to Labor Force Survey by FBS (2003) only 3.26 percent of female labor force participates in informal sector in Pakistan. It is extremely difficult to isolate the contribution of women to the informal sector and to the household income as a whole. Efforts need to be pursued in this respect. Women remain the main source of underestimation of the informal sector contribution for at least three reasons.

1. They are engaged in those informal activities, which are most difficult, to capture and measure, that may be home-based work and street vending (an extension of a non-measured or non-registered manufacturing activity).

2. They are engaged, more than men, in second or multiple jobs, especially in rural areas, and the non-measurement of this phenomenon is a source of underestimation. In the presence of their main activities (as family workers notably), their contribution to the production is also very much underestimated. Their production activities are not only hidden behind their status of so-called inactive housewives, but also behind the less valuable status of family worker in agriculture. In these types of work, their contribution to the commercial margin is limited, and their value added in the production process is overlooked.

3. Women prefer such type of work which has flexible hours, greater compatibility with family responsibilities, and relative ease of entry mainly confined within four
walls of home. Although it is involuntary in respect of, essential for family survival, but remains invisible from official statistics.

The informal female labor market in Pakistan has been organized along different lines, because women’s choice of activity is determined by the norms of female seclusion. Work in which there is contact with males is associated with loss of respect and diminishes marriage prospects for girls. Pakistan’s urban informal labour market is highly segregated. The workers, market sellers, street vendors, carpenters, mechanics’ and barbers are all exclusively male. Women are confined to being domestic servants (who work in a home when the master of the house is away at work and have dealing only with the mistress) or home-based workers (who stitched cloths, make clays, weave baskets, embroiders, make food products and ‘bidis’ for sale by family members or middle men (see also, World Bank 1989).

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>RURAL</th>
<th>URBAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Both</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Formal</td>
<td>35.4</td>
<td>35.3</td>
<td>37.0</td>
</tr>
<tr>
<td>Informal</td>
<td>64.6</td>
<td>64.7</td>
<td>63.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


The table-1.1 shows that informal sector activities account for significant proportion of total employment. FBS has defined informal sector activities in respect of the non-agriculture sector. 63% working females of nonagricultural sector are engaged in informal sector, it accounts for about two thirds of the employment outside agriculture.
sector. The percentage of female employed involved in informal sector is higher in rural areas (65.7) as compared to urban area (60.7)

<table>
<thead>
<tr>
<th>EMPLOYMENT STATUS</th>
<th>BOTH SEXES</th>
<th>MALE</th>
<th>FEMALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>1.0</td>
<td>1.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Self-employed</td>
<td>43.6</td>
<td>44.8</td>
<td>31.0</td>
</tr>
<tr>
<td>Unpaid family helpers</td>
<td>10.9</td>
<td>10.1</td>
<td>19.1</td>
</tr>
<tr>
<td>Employees</td>
<td>44.5</td>
<td>44.0</td>
<td>49.7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


The employment status structure of the informal sector female worker shows that majority of them are in the employees category (49.7) followed by self employed (31.0) and about one fifth of female workers are unpaid family helpers. The employer’s category of female workers is negligible (0.2).

<table>
<thead>
<tr>
<th>MAJOR OCCUPATION GROUP</th>
<th>BOTH SEXES</th>
<th>MALE</th>
<th>FEMALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislators, Senior Official and Managers</td>
<td>24.6</td>
<td>26.3</td>
<td>6.8</td>
</tr>
<tr>
<td>Professionals</td>
<td>1.8</td>
<td>1.7</td>
<td>2.5</td>
</tr>
<tr>
<td>Technicians and associate professionals</td>
<td>2.8</td>
<td>2.3</td>
<td>8.5</td>
</tr>
<tr>
<td>Clerk</td>
<td>0.2</td>
<td>0.2</td>
<td>-</td>
</tr>
<tr>
<td>Service workers shop and market sale workers</td>
<td>9.5</td>
<td>9.9</td>
<td>5.2</td>
</tr>
<tr>
<td>Skilled agricultural and fishery workers</td>
<td>0.1</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td>Craft and related trade workers</td>
<td>32.3</td>
<td>29.6</td>
<td>59.9</td>
</tr>
</tbody>
</table>
The occupational distribution of informal sector female workers shows that three fifth (59.9) of them has been reported as craft and related trade workers, and this ratio is double as compared to the corresponding male workers engaged in these activities (29.6). Moreover, 16.5 percent female workers are engaged in unskilled and elementary occupation.

The table-1.4 shows that the majority of female workers in informal sector are engaged in manufacturing sector and about one third are working in community, social and personal services.
The table shows that the crude activity participation rate of females has increased from 9.3 in 1999-2002 to 9.9. The crude female participation rate calculated with the help of improved methodology shows that female participation in economic activities is largely higher in rural areas (32.3) as compared with urban areas (12.0).

Female*: Shows improved female participation rate. According to old methodology adopted by FBS was that that person 10 years of age and above reporting house keeping and other related activities were considered out of labour force. The improved female participation rate has been obtained with the help of improved methodology in which all persons who have spent time on the specified agricultural and non agricultural activities have been identified as employed.

*Crude activity (participation) rate is the percent age of the persons in labour force to the total population.

*Refined activity participation rate is the percentage age of persons in labour force to the population 10 years of age and above.

The female participation rates calculated in terms of refined activities is substantially higher in Punjab (14.0) as compared with the over all figure for Pakistan (9.9). The improved female participation rate is nearly three times higher in rural areas (32.3) as compared with (12.0) urban areas, same are the results in Punjab.
### Table-1.7 Women Labor Force Participation in Informal Sector in Pakistan and Provinces

<table>
<thead>
<tr>
<th></th>
<th>ALL AREAS</th>
<th>RURAL</th>
<th>URBAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>3.26</td>
<td>1.54</td>
<td>1.72</td>
</tr>
<tr>
<td>Balochistan</td>
<td>1.16</td>
<td>0.87</td>
<td>0.29</td>
</tr>
<tr>
<td>NWFP</td>
<td>1.39</td>
<td>0.97</td>
<td>0.42</td>
</tr>
<tr>
<td>Punjab</td>
<td>4.49</td>
<td>2.19</td>
<td>2.30</td>
</tr>
<tr>
<td>Sindh</td>
<td>1.16</td>
<td>0.17</td>
<td>0.99</td>
</tr>
</tbody>
</table>


The table-1.7 depicts that females in the informal sector form a negligible proportion of the work force of Pakistan. The province of Punjab has highest ratio of informally employed women for overall areas as well as urban and rural areas.

#### 1.3 Rural Women in Informal Sector

About 70 percent of the female labor force in Pakistan is engaged in agriculture sector and their contribution is undocumented. For rural women, many farm activities are extension to their domestic responsibilities, including fetching of water, fuel, and fodder collection.

Rural agricultural life is much closed to nature, and people are accustomed to nature’s mood of kindness and furry. Nature is their last resort because it provides their basic needs such as firewood for fuel, forest fruits for food and clay to make pots. But the rising pressure of population has changed the scenario. Widespread scarcity and abuse of natural resources has occurred. Declining income generating opportunities and unemployment rampant in rural areas has forced the men to leave their homes and
migrate to cities in search for work. Some times the adverse forces are so strong that in a very traumatic situation the whole family migrates. The first thing they need in cities is a place to live. These rural migrants stay in the far out skirts of the cities, along railway tracks, under bridges, or in large round cement pipes left by some construction company. Under such uncertain living conditions other basic amenities are beyond approach, young girls and women have no privacy and becomes subject to vulnerability. Sometimes they succeed in building a shanty on public or unattended private land, but remaining under constant threat of eviction and encroachment. Under such circumstances it is necessary for each family member to be earning hand. Women start working at their homes, using skill that can be picked up quickly, some prepare food stuff for vendors, some sort garbage for waste dealers. They must want to have some work, which will bring daily cash, no matter what work they engage in. Without cash in hand survival in a city is impossible. Some times the temptation to have quicker ways of earning a life turns the work into prostitution, begging and other illegal activities. Their children take a new role can be seen working in streets, in homes and in the markets as well. Their settlements are developed into slums, situated in low-laying areas of the city, usually filled with sewage water. Public garbage floating ahead of these settlements can be seen frequently. These slums are comprised of mix of different race, origin, occupation, language, caste and religion. The most significant change in women’s lives is the need and possibility for women to enter the urban informal economy and be self-employed. They are engaged in hundreds of occupations. They perform manual labor as agricultural workers, construction workers, domestic workers, home-based workers, vendors, rag pickers. These self-employed women rarely own any capital or have tools of production or trade. They
have no access to credit. Their bargaining power is low and consequently exploited by middle men. They are scattered, isolated and unacknowledged part of the economy.

1.4 Plan of the Study

The plan of the study is as follows: it has been divided into ten chapters. Chapter 1 was about the introduction of the research issue. The forthcoming chapter 2 is related with the situation of women in Pakistan, i.e. their health and education, their empowerment and employment situation, their reproductive behavior, etc. All these aspects are related to labor force participation of women and their contribution in household budget. In chapter 3 review of the related literature will be presented. The theoretical background has been discussed in chapter 4. It will be comprised of economics of working women, their decision-making and contribution in household income. Chapter 5 will be comprised of methodology of the research which consists of different concepts used in the study, sample design and data collection, and model construction and selection of variables. The quantitative estimates of the working women in informal sector will be presented in chapter 6. Next two chapters, i.e. chapter 7 and 8 will be the core of the study, which will reveal how the individual and household characteristics affect the contribution of working women in informal labor market. We will compare the rural urban differences of contribution of women in chapter 9. The last but not the least will be the chapter 10, which will produce the summary of the results and policy recommendations.

1.5 Objectives of the Study

The study will examine the economic contribution of women in the household budget within the perspective of their traditional role as subordinate and marginalized
members of the society in Pakistan. The main thesis being pursued is that women’s marginalisation, within societal structure and their exploitation confers them to contribute in family income though their net economic benefits are not recognized within the communities which increase their vulnerability.

The study will be an attempt to look into various economic activities of informal sector, in which women are involved and they are contributing in household income. The precise objectives of the study are as:

- To find out various economic activities of women workers involved in informal sector and the types of paid work they are engaged, and their contribution to family budget.
- To envisage the typology of women working in informal sector and the types of assorted work they are engaged.
- To examine the factors which affect their contribution in household budget.
- To suggest suitable measures and a plan of action for the betterment of women’s contribution in the household income.
CHAPTER 2

SITUATION OF WOMEN IN PAKISTAN

The socio-economic status of women and their role in cultural paradigms is associated with their working decision which is ultimately connected with their contribution in household budget. In this chapter we are going to discuss the situation of women in Pakistan, i.e. their health condition, educational status, bonded labor, empowerment, aspirations for work, violence against them, and their reproductive behavior.

The role and the situation for women in a traditional, patriarchal society of Pakistan encompass a great bearing. Society has already defined their roles. Discrimination against female child starts from her conception, and continues throughout her life. What happens to her, when she becomes an adult, is subjected to all sorts of exploitation ranging from mental and physical torture to sexual abuse. In patriarchal society as in Pakistan, family is the basic unit which sets the norms for males and females. Within this system, fathers and husbands are recognized as the guardian of women and the decision making power are vested in male hands. The right of inheriting property is passed in the hands of husbands and sons. The kinship system leads to strong preference for son and discrimination against daughters. Male members are the central in lineage. As an adult she becomes extraneous to her family of birth. She lives in her father’s home only until it is time for her to marry. It is highly unusual for an adult woman to live with her parental family. When she got
married, her productivity and services are shifted to the husband’s family what ever her parents need may be (Gupta and Shuzhuo 1999). Parents of young daughters are reminded of their obligation to marry of their daughters. Their appropriate place is in their husband’s home as a wife in another family, and after marriage when she joins her husband’s family, she has to face difficult circumstances, especially if the husband is residing with his parents.

The expenses of a daughter’s marriage are much higher than a son’s marriage because large dowries are paid to the groom’s family and it is viewed as a loss to the family. So the birth of a daughter is considered less desirable phenomena. The fundamental rights of women are violated in homes and within communities; even the right to take decisions concerning their own lives is not given. Marriage against choice is a deep rooted social problem which is the violation of an individual’s basic right. The norms work in a manner that divorce makes the woman a social out cast, by lowering her self esteem. In economically disadvantaged families, the situation of women is worse. Society has imposed the stereo types of gender roles and expectations with the result that it has become unfeasible for women to break out of the vicious circle, in which she has been confined by norms (Ibraz 1993). In some communities restriction on women are much more stringent which allows greater exploitation and discrimination (Mohanti 1997). The bottom line of the problem is that she is caught in a situation which she can not change, that is predetermined and predestined.

Research has proved that education is a sufficient factor to enable women to challenge gender relations, but much is required to change the norms and the critical attitude of society (Jeffery and Basu 1996; Mason 1993). Literacy rate has improved in Pakistan
in terms of enrollment rate, but there are many structural constraints on women’s education and their work choices in terms of occupational rigidities and women’s own perceptions and aspirations for adult life. There are clear indications that education and employment decisions of women taken by their parents channel them towards marriageability. The organization of marriage has gotten much importance due to the lack of women’s control over income and property. The emphasis on marriage is due to its value for women in the context of norms of feminity (Eapen 2002).

Another disadvantage of being a woman in Pakistan is the reluctance of society to accept the credibility of a woman, and their crucial role, required to uplift the socioeconomic status of household and society. However the bias against females does not confine to males only. Interesting finding is that females themselves are not ready to accept their own sex. On the basis of social beliefs they have the view that males are more credible and reliable than females (Raees and Kandawala 1994-1995).

<table>
<thead>
<tr>
<th>TABLE 2.1 Indicators of Status of Women in Pakistan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KEY INDICATORS</strong></td>
</tr>
<tr>
<td>Female Life expectancy at birth (years)</td>
</tr>
<tr>
<td>Female Adult literacy rate (percentage)</td>
</tr>
<tr>
<td>Gender related development index</td>
</tr>
<tr>
<td>Estimated earned income (PPP) US $</td>
</tr>
<tr>
<td>Combined gross enrollment ratio, primary, secondary, tertiary level school (percentage)</td>
</tr>
<tr>
<td>Gender empowerment measure (1997)</td>
</tr>
</tbody>
</table>

The table-2.1 indicates that life expectancy at birth for women is 60.7 years in Pakistan, which is lower than men in Pakistan. The women tend to live longer than men. Globally, the women live approximately four years more than their male counterpart (MHDC 2004), but in Pakistan, this biological superiority has been reduced due to malnutrition and serious health hazards which women have to face in their social and physical environment. Gender related development index for Pakistan is 0.471 and Pakistan is ranked 107 in the gender related development index. The gender empowerment index ranks Pakistan 71 (out of 80), but in female economic activity index ranking Pakistan comes at 29th. The estimated earned income of women is only 915 $ which is one third of earned income of men. Their role at high level decision making is only 7 percent. Women’s representation at higher level is important, because the suggestions to alter the situation faced by women have to come from the women themselves.

**Table 2.2 Socio-Economic Profile of Women in South Asia**

<table>
<thead>
<tr>
<th>KEY INDICATORS</th>
<th>PAKISTAN</th>
<th>INDIA</th>
<th>SRI-LANKA</th>
<th>BANGLA DESH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternal mortality rate (2002)</td>
<td>500</td>
<td>540</td>
<td>92</td>
<td>380</td>
</tr>
<tr>
<td>Gender development index (2002)</td>
<td>0.471</td>
<td>0.572</td>
<td>0.738</td>
<td>0.499</td>
</tr>
<tr>
<td>Life expectancy at birth (years) (2002)</td>
<td>60.7</td>
<td>64.4</td>
<td>75.8</td>
<td>61.5</td>
</tr>
<tr>
<td>Adult literacy rate (Percentage) (2002)</td>
<td>31.0</td>
<td>48.0</td>
<td>66.0</td>
<td>54.0</td>
</tr>
<tr>
<td>Births attended by skilled staff (Percentage) (2002)</td>
<td>20.0</td>
<td>43.0</td>
<td>97.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Average years of schooling (2000)</td>
<td>2.5</td>
<td>3.7</td>
<td>6.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Fertility rate, Births per women (2001)</td>
<td>4.3</td>
<td>3.0</td>
<td>2.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Labor force (female percentage of labor force 2001)</td>
<td>29.0</td>
<td>32.4</td>
<td>36.8</td>
<td>42.2</td>
</tr>
</tbody>
</table>

Gender related development index (calculated by UNDP) shows that except for Sri Lanka all other countries have very low Gender Development Index (GDI) values. Sri Lanka is a leading country in all socio economic indicators related with women, where 97 percent births are attended by skilled staff, while in Pakistan only 20 percent are attended by skilled staff. The maternal mortality rate in Sri Lanka is as lowest as 92. At the same time, as in Pakistan it is the highest, as the probability of dying of mothers is 500 per 100,000 live births. In 2001 Pakistan accounts for just 29 percent of women’s participation which is lowest in the region, while Bangladesh has the highest female participation rate. Low female participation rate in economic activities in Pakistan depicts the lack of employment opportunities available for women. Participation depends on efforts of the government with regard to employment opportunities, awareness and the provision of facilities for the working mothers. Pakistan’s female educational level is not sound, which is a clear indication of very few women available for work. In the case of fertility rate in the year 2001 Pakistan has 4.3 births for women, which is the highest among four countries. The average years of schooling of females in Pakistan is only 2.5 years while in Sri Lanka it is 6.5 years.

2.1 Health Conditions of Women

Women in Pakistan suffer greatly from a lack of access to health-care, because of not only an absolute lack of health facilities but also due to relative inaccessibility of such facilities. Women have to face traditional taboos against consulting doctor which are based on false traditions and religious beliefs (Mahmood 2000; Sathar and Kazi 1997; Mehmood and Renigham 1996). Problems in access to health facilities and delayed decision making at the family level in case of emergency are the key factors for high
maternal mortality (Fikree 2000). In developed countries maternal mortality is rare (MHDC 2005) but in developing countries, millions of women face this risk every year. The incidence of early marriages in Pakistan continue to dominate and women are under societal pressure to produce an offspring in teenage (Mehmood 2000), the use of contraceptive is low and very low antenatal care facilities are available. Majority of women suffer chronic energy deficiency and malnutrition. Many preventable and cure-able diseases become life threatening for women due to lack of adequate diet and heavy domestic work. Women’s health problems are generally related with their reproductive health. According to UNFPA (2003) about 60 women die of pregnancy related complaints in Pakistan every day.

Health hazards faced by women and girls working in informal sector have not been generally highlighted. These women perform their work under humiliating conditions, without any freedom to express their sufferings. They are exposed to unhealthy working conditions and paid low-wages for their long hectic work, exploited by devious middle man. Remunerative work becomes oppressive because it is merged with household chores, so that there is no end to work (Khan et. al. 2005). The burden of women’s domestic work combined with reproductive duty cause not only physical health problems, but also acute mental health problems (MHDC 2004).

<p>| <strong>Table-2.3 Health Status of Women in Pakistan</strong> |
|----------------|------------------|
| <strong>KEY INDICATOR</strong> | <strong>VALUE</strong> |
| Sex ratio (Male to Female) | 108 |
| Maternal mortality ratio (Per thousand live births) | 500 |
| Healthy life expectancy (Years) | 52.3 |
| Fertility rate (Births per Women) | 4.3 |</p>
<table>
<thead>
<tr>
<th>Body Mass Index less than 18.5 (percentage of women ages 15-49)</th>
<th>13.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birth attended by skilled personals (Percentage)</td>
<td>20</td>
</tr>
<tr>
<td>Anemic pregnant women (Percentage)</td>
<td>37</td>
</tr>
<tr>
<td>Currently using contraception (Percentage)</td>
<td>39.7</td>
</tr>
</tbody>
</table>


Gender discrimination, poverty, kinship pattern, family structure, the position of women in society, the number of pregnancies per women and inadequate gap between births are the factors responsible for low health status of women in Pakistan (SPDC 2004). Pakistan has the lowest sex ratio in the world. In 1998 there were 108 males for every 100 woman. In 2001 and 2002 this ratio decline to 107 men for 100 women. Health problems of women increase during the reproductive age due to nutritional deficiency and the existence of successive pregnancies, which increase the risk of maternal mortality. Although the population growth rate has declined from 3 to 2 percent and total fertility rate to 4.3 births per women, but in 2000 maternal mortality rate was 500 per 100,000 live births. An unskilled birth attendant is the main factor responsible for such high maternal mortality rates. Only 20 percent of the deliveries are attended by skilled health personals. Mostly births takes place at homes, 86.5 percent of all births in rural areas takes place at home compared to 51.3 percent in urban areas. 13.3 percent women has body mass index less than 18.5, which means that they are underweight. Births per woman give a clear indication of the fact that the contraceptive prevalence rate is low. National Nutritional Survey 2001-02 reported that 12.5 percent of non-pregnant women and 16.1 percent of lactating mothers were malnourished and 37 percent of the pregnant women were anemic (MHDC 2004).
2.2 Situation of Female Education in Pakistan

There is a plethora of empirical evidence which has proved that, in developing countries improvement in women’s education, health, employment opportunities and participation in economic activities can generate significant returns. Investment in women not only benefits women themselves but also has great social returns, which are depicted in an improvement in their children’s welfare and a reduction of fertility, poverty and gender bias (Quibria 1993; Summer 1992). That is why recent development theories have stressed the notion of social capital. It is formed through individual participation in social life and is productive in income generating activities as physical and human capital (Putnam (1993). If the formation of social capital is through women’s participation in society, in the context of access to resources such as education, the evidence suggests that significant economic and social benefits can be generated. There are higher survival rates amongst the children of educated women, and these children are better-nourished and better-educated.

The supply and demand forces both have determined low education level in Pakistan. The prevailing culture in which early marriages, segregation between the sexes, lack of employment opportunities for women, emphasis upon women’s reproductive capacity and long distances to schools have caused low education level of women. Furthermore there are many other factors such as, assistance rendered by girls to their mothers, reluctance of parents to send their girls to co-educational institutions, preference given to boys over girls, and illiteracy of mother are also responsible for low level of education.
The importance of education in the determination of women’s participation in economic activities cannot be ignored. Education is a crucial factor for social progress and to reduce the gap between socio-economic groups of society. Low educational level of women affects returns to female labor force participation adversely i.e. the returns to very hard manual work is very low, and vulnerable to exploitation. Parents have higher aspirations for the male child than for the female child. Family preferences tend to favor boys over girls. Decisions regarding the distribution of food, labour, health-care and education benefit boys more than girls. Gender disparity is rooted in cultural perceptions. Parents’ expectations, that female will and must marry somehow reduces her value. She is deprived of opportunity to broaden her personal, social and intellectual horizon. Gender discrimination continues throughout her life.

Table-2.4 Female Educational Status of Women in Pakistan

<table>
<thead>
<tr>
<th>YEAR</th>
<th>LITERACY RATE</th>
<th>MEAN YEARS OF SCHOOLING</th>
<th>COHORT REACHING CLASS FIVE (PERCENTAGE)</th>
<th>ENROLMENT RATE (PRIMARY)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1975</td>
<td>31.4</td>
<td>12.6</td>
<td>2.2</td>
<td>0.5</td>
</tr>
<tr>
<td>1980</td>
<td>34.0</td>
<td>15.1</td>
<td>2.7</td>
<td>0.6</td>
</tr>
<tr>
<td>1985</td>
<td>37.9</td>
<td>18.3</td>
<td>3.2</td>
<td>0.9</td>
</tr>
<tr>
<td>1990</td>
<td>43.2</td>
<td>22.4</td>
<td>3.4</td>
<td>1.0</td>
</tr>
<tr>
<td>1995</td>
<td>50.5</td>
<td>27.9</td>
<td>3.9</td>
<td>1.4</td>
</tr>
<tr>
<td>2001</td>
<td>63.0</td>
<td>38.0</td>
<td>8.2</td>
<td>3.4</td>
</tr>
</tbody>
</table>

The table-2.4 indicates that the female enrollment rate at primary and secondary level has shown a substantial increase starting from 1975 with 27.8 to 63.5 percent in 2001 and at secondary level from 9.7 to 23.3 in the same period. Although it is a positive sign but at the secondary stage the percentage of cohort reaching class 10 revolve around 40 percent from 1975 to 2001 because these students who entered the secondary stage are unable to complete their matriculation. It is a clear indication of high drop out rate at secondary level.

Adult literacy rate for female was 71 percent in the year 2001 and youth literacy rate for females was 57 percent for the same period, the average year of schooling was 2.5 in 2000, which shows a little tendency towards investment in education to females.

The modernization process has made some changes in the value system. Parents are sending their girls to school and gross enrolment rate has increased, however modernity has not replaced traditions. In spite of urbanization and the expansion of education opportunities, die-hard traditional values are still deeply entered in the society. Women take their job as temporary because of retirement at marriage and argued their income supplementary to family income. This perception creates dependency of women on men and reinforced the persistence of a male oriented patriarchal culture. Women are perceived as good mothers, respectful daughter and sacrificing sisters having no access to property and position in society. There are not only the cultural factors but also the institutional factors which are responsible for women backwardness. Conflicting modern and traditional values coexist, making women role complicated and precarious.
2.3 Women’s Empowerment

The process of empowerment of women is a method of changing perceptions, in order to allow the individual to change the environment, in other words to change the situation faced by women. The empowerment process gives strength to the individuals and provides the opportunities to develop skills, abilities and independence. The empowerment of women require strategic endeavor. It can be achieved changing the social institutions that do not benefit women, policies that guarantee equal rights and by abolishing discrimination against women. It is a long term structural transformation which will increase the involvement of women in protective activities of the economy and then will improve the overall well-being of society.

There are three indicators of women’s empowerment, women’s say in household decision-making, freedom of movement, access and control over resources (Khan, et. al. 2005). Besides it, women’s empowerment is directly connected to perceptions which are based upon norms prevailing in the society and the roles given to women by society. Men are considered as the bread winners and women as house-wives without productive work. Generally it is assumed, that women achieve some degree of empowerment when they enter paid work. They can enjoy autonomy in the context of their domestic and social life.

Some studies have proved that paid-work particularly, in low income strata, doesn’t mean women’s control over earning or ability to take self-interested decisions (Khan 2005; Eapen and Kodoth 2002). The all monetary transactions are conducted by men and commonly the payments are made to the male heads of the household even for work done by women (Shaheed 1992). Shah (1986) also concluded that in Pakistan,
women's wage work participation is a status reducing rather than a status enhancing activity, as female work has never been considered as a valued activity. In a patriarchal society like Pakistan, there are social constraints on activity and mobility of women (Foster 2005; Rehman 1992). They are expected to conform to certain codes. The need of restricting women’s mobility arises because women are considered subject to more physically vulnerable and their activities are related to the “honor and shame” of the family (Ahmed 1986). The immobility of women creates lack of control over economic resources by women and economic subjugation of women by men. Despite of providing earnings essential for survival of the family, the poor and illiterate women do not have the due status and say in important family decisions.

In Pakistani society, family is the basic unit which sets the norms for male and female decision-making. Within this system, fathers and husbands are recognized as the guardian of women and the decision-making power is vested in male hands. The right of inheriting property is passed to the hands of husbands and sons. A newly married girl has to face difficult circumstances when she joins her husband’s household, if the husband remains co-resident with his parents or their siblings.

2.4 Aspirations of Women

It is important to know the aspirations of working women, in the context to understand, what has motivated them to enter the labour market. Aspirations are determined by socio-economic conditions including education and norms adopted by the society. The perception and attitude of women towards job reflect their aspirations. The decision of women to enter the labour market is motivated by the
desire to be independent financially because when they work and earn, they become less reliant on their parents and husbands.

Paid-work outside the home makes its possible for women to have aspirations for self-improvement. In developing countries the aspiration of women are simply to work and get economic compensation (in low income strata), without further aspiration of getting a better position by realizing their full potential, because women perceive barriers in the way of their advancement in terms of their limited education and minimal opportunities to work (Pangestu and Hendytio 1997).

2.5 Employment Situation of Women

According to labour force survey only five to ten percent women reported them as working labour force. It does not give us a complete sampling frame of all working women. Usually the nature of women’s work is such that it is likely to go unrecorded, because of the informal nature of most of the jobs that women’s take up, e.g. stitching at home, embroidery, beauty parlor etc. Secondly the perception is that what ever work goes on within the household is a part of household chores, whether it is an income generating activity or not (Khan 2005). Male members of family are usually reluctant to admit that female members do any work for remuneration. Their economic participation goes unnoticed because they are employed as family labourer or domestic workers without any remuneration.
### Table 2.5 Labor Force Participation Rates of Women in Pakistan

<table>
<thead>
<tr>
<th>Years</th>
<th>URBAN Male</th>
<th>URBAN Female</th>
<th>RURAL Male</th>
<th>RURAL Female</th>
<th>TOTAL Male</th>
<th>TOTAL Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>69.6</td>
<td>3.5</td>
<td>79.8</td>
<td>7.6</td>
<td>76.7</td>
<td>6.4</td>
</tr>
<tr>
<td>1979</td>
<td>70.3</td>
<td>5.3</td>
<td>80.1</td>
<td>14.3</td>
<td>77.3</td>
<td>11.8</td>
</tr>
<tr>
<td>1985</td>
<td>71.1</td>
<td>4.1</td>
<td>79.8</td>
<td>10.7</td>
<td>77.1</td>
<td>8.7</td>
</tr>
<tr>
<td>1991</td>
<td>66.6</td>
<td>8.6</td>
<td>73.6</td>
<td>14.8</td>
<td>71.3</td>
<td>12.8</td>
</tr>
<tr>
<td>1995</td>
<td>64.3</td>
<td>7.0</td>
<td>71.3</td>
<td>13.3</td>
<td>69.1</td>
<td>11.4</td>
</tr>
<tr>
<td>2000</td>
<td>65.0</td>
<td>8.8</td>
<td>73.1</td>
<td>16.1</td>
<td>70.4</td>
<td>13.7</td>
</tr>
<tr>
<td>2002</td>
<td>66.9</td>
<td>10.0</td>
<td>72.2</td>
<td>16.8</td>
<td>70.3</td>
<td>14.4</td>
</tr>
</tbody>
</table>


The table-2.5 indicates that the labor force participation rate for males has reduced from 76.7 percent in 1975 to 70.3 percent in 2002 but in the case of females it has increased from 6.4 percent in 1975 to 14.4 percent in 2002. It is due to the overall performance of Pakistan’s economy and lack of employment opportunities in the country not only for men but also for women. The female labour force participation has increased in rural areas from 7.6 percent in 1975 to 16.8 percent in 2002.

### 2.6 Violence against Women

The violence against women has become one of the most visible issues in Pakistan. The cultural norms, traditional practices, religious beliefs and social values of a patriarchal society and laws in Pakistan place the women in a sub-ordinate role and create gender-based violence and oppression. In Pakistan today if a woman claims to be a victim of rape but is unable to prove, it can be charged with adultery and imprisoned while the rapist can be free for lack of evidence. As a divorced mother,
women are often deprived of their children by law (Siddiqui et al 2000). Domestic violence is well thought-out a private matter and marital rape is not considered violence (Weiss 2001). Domestic violence can take the form of physical abuse, mental abuse, psychological abuse and economic abuse. Physical abuse including wife-beating, burning, rape, murder, honor killing, forced prostitution is common in rural Pakistan (Siddiqui, et. al. 2000). Sathar and Kazi (1997) indicated that 82 percent of the wives in rural Punjab reported that they are afraid of to disagree with husbands, 35 percent of the women reported that they have been beaten by their husbands and 8 percent said that they were regularly beaten. Working women have to face sexual harassment at their work place for example nurses are targeted at hospitals, domestic workers at homes and women working as bonded labour at their work place (Siddiqui, et. al. 2000). After marriage, in husband’s family women are abused for the purpose to extract more dowries from their parents. Dowry related violence is widely reported and in extreme cases women are killed. If one wife does not seem desirable, she can be abused or cast off.

It is reported that during the period of 2002 to 2004, 14000 cases including murder, honor-killing, kidnapping, rape and gang rape were reported. Various news papers reported 3098 cases of violence during 2001 and the figure doubled to 6875 in 2002, though the figure declined to 4723 in 2003. During 2001-2003, 530 women were burnt to death, 4478 were kidnapped, 2866 were murdered and karo-kari took the lives of 1511 women, 973 women were raped and 1065 were gang raped (SPDC 2004).

According to Human Rights Commission of Pakistan (HRCP) report for 2005 women are facing high rate of violence. The HRCP recorded at least 1242 cases of violent
crime against women in the first 8 months of 2005, 279 women were murdered due to various motives during the year, HRCP recorded 96 cases of burning, 311 cases of suicide, 299 cases of attempted suicide by women, 538 cases of kidnapping of women, 190 cases of gang rape and 176 cases of rape in the period of first 8 months. HRCP report released by the Multan task force showed high crime rate in Southern Punjab as compared the figures of all over Pakistan. 115 women lost their lives due to honor killing and 167 were killed due to incidents of domestic violence in Southern Punjab during 2004 (SPDC 2005). The HRCP report further identified that at least there were 6000 women in jail in June 2005, and 80 percent of these women were arrested under the charges of Hudood ordinance.

It has been proved that the eradication of violence against women requires the enhancement of status of women. Panda (2003) has strongly highlighted the criticality of women’s access to and control over economic resources, particularly immovable assets, in prevention of domestic violence.

The phenomenon of trafficking of women is increasing all over the world, especially in South Asian countries. Women are trafficked for variety of reasons, for example, for sex slaves, prostitutes, domestic slaves, begging, slaves and some times as trade brides. These are usually exploited by their own husbands. Poverty, war, need to survive, rising unemployment in developing countries, increased demand for services in developed countries and the exposure to internet are the factors responsible for trafficking (Shamim 2005). Although it is much difficult to obtain the accurate data because of illegal nature of trafficking. Poverty is the main cause of trafficking, survival needs force the young girls and women to leave their homes and even their countries to obtain material gains. Some times the poor parents themselves send their
daughters to urban centers without considering the severe consequences. Trafficking is common in areas, which are prone to natural disasters and people live below the poverty line (Mukherjee 1997).

Globalization has reduced the economic opportunities available to women in south Asian countries. The traditional family system has been broken down. Family is a social unit which provides shelter but divorced, widowed and parentless girls find themselves outside the social support system. The trafficking of women both internal, from rural areas to big cities and as well as cross border takes place (SPDC 2005-2006). Traffickers give incentive to provide well-paid jobs or marriages, but results in forced labour or forced marriages even deprived off from their liberty and their own earnings. When a young woman is trafficked once, she is kept confined and controlled through blackmailing and threats of violence, which causes depression. Most of them are at the risk of suicide. The Human Rights Commission Report 2005 for Pakistan stated that the incidence of suicide, particularly by young women, age less than 40 has continued to rise in Pakistan (SPDC 2005-2006). Victims never explain their experiences of abuse to others who might be vulnerable. Pakistan is a country of origin, transit and destination for women trafficked at international level (Shamim 2005). Women from Bangladesh and Sri Lanka are trafficked in Pakistan. It has been reported that through well beaten paths (Nepal to India and Bangladesh to Pakistan) 9000 girls and women are trafficked in a year (Giri 1999).

2.7 Bonded Labor and Women

Unfree labor is another phenomenon which is experienced in developing countries. It has many dimensions of exploitation. The circumstances of the weak group force it to
be bonded with the powerful. Unfree labour practice is common in rural and sometimes in urban areas. The whole family including women and children is bound to provide services to the land lords in rural areas only in return for meals and rent of housing. The need for survival forces the all family to work for meager wages. Here women are more vulnerable to exploitation because sometimes the manager and employer demand sexual services from women as reward for avoiding labour services or as their personal privileges (Ercelan 2005). Debt bondage is another kind of forced labour. Women and children are part of this debt bondage. It is reported that the debt of around 10,000 per adult worker exist in brick kiln industry in central and southern Punjab (Ercelan 2005). When a new kiln starts up this debt bonded families negotiate for more advances to move to the new kiln, to meet their extra ordinary increase in expenditure, such as marriages of their daughter or illness. In this way the amount of debt continue to increase which can never be repaid because of low piece rates. The debt pressure forces the labour to accept low wages. It has been reported that some times the bonded laborers sell their human organs such as kidney to pay off their debt (Ercelan 2005).

2.8 Reproductive Behavior of Women

According to Pakistan Population Assessment Report 2003 prepared by the United Nations Fund for Population, the population growth rate has declined in Pakistan to 2 percent and total fertility rate to 4.5 births per women. High population growth rate is absorbing every additional expenditure made in the sectors like health, education, water, housing, sanitation and infrastructure. The number of employed people has doubled and the number of unemployed increased eight fold between 1970 to 2002. The report has stressed that population issue should be given due importance in
development strategies (SPDC 2004). Policy makers in Pakistan has recognized the importance of family planning in reducing the population growth rate, which is required to increase the living standard of the people (Hashmi 1991). Pakistan is passing through a fertility transition phase. Fertility transition is conditioned by a series of intermediate variables which ultimately are determined by economic, social and cultural factors (Bongaarts 1978). In Pakistan reproductive behavior of women is shaped by the values, norms and beliefs about child bearing prevailing in the society. The status of Pakistani women is determined by fertility and child bearing. She has a low bargaining power, the all important decisions like as marriage, securing gainful employment, receiving proper health-care, migration and reproductive behavior are made for her by male members of the family. The importance of husband and wife relationship related to fertility behavior and contraceptive views has much importance. The role of husband in our society is that all decision-making powers and authority is vested in his hands, and it is considered his legitimate right to exercise his authority. The social power of the husband is inherited in the existing social system, while the role of women is to behave under the law of obedience. The all decision regarding child birth contraception and pregnancy are taken by him (Shah 1986).

Having a sub-ordinate status, she is not allowed to interfere in familial and non-familial decisions. Low education status and less access to economic resources make her more traditions bound, related to the subject of unquestionable loyalty to husband. Research has proved that the enhancement of female status through education is an important factor to reduce fertility rates.

Female literacy and employment are considered the important factors responsible to reduce the fertility rate (Chamratrithirong, et. al. 1992). The net impact of female
education on fertility are negative because of late marriages and due to increase in the opportunity cost of rearing children, which results in a trade off between the quality and quantity of children. The impact of female employment on fertility has two dimensions. The employment influences fertility negatively in the case of women in higher status, and positively in the case of lower status occupations (Sathar 1989).

2.9 Micro-Credit and Women

The traditional banking system requires that a borrower have collateral to receive a loan. The world’s poorest people specifically women have no such collateral. Further, traditional banks are not generally interested in issuing small loans, as the interest benefits do not exceed the transaction cost.

Microfinance institutions exist in many forms, credit unions, commercial banks and most often, non-governmental organizations (NGOs). Many microfinance institutions (MFIs) use social collateral in the form of peer groups to ensure loan repayment. Borrowers take out loans in groups of five to eight individuals. If a borrower defaults on her loan, the entire group typically is penalized and sometimes barred altogether from taking loans. This peer pressure encourages borrower to be very selective about their peer group members and to repay loans in full and on time, resulting in the higher repayment rates.

United Nations Development Fund for Women (UNIFEM) recognized the need to provide credit to women as a way of strengthening women’s institutions at the gross-root level. There may be many reasons why women should become the primary target of micro-finance services. At the macro-level it is because 70 percent of the world’s
poor are women. Women have a higher unemployment rate than men not even in Pakistan but in virtually every developing economy. They make up the majority of the informal sector. They constitute the bulk of those who need micro-finance services.

Targeting women has also proved to be a successful, efficient economic development tool. Research performed by the United Nations Development Program (UNDP) and the World Bank, among others, indicated that gender inequalities inhibit overall economic growth and development. A recent World Bank (2003) report confessed that societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance, and lower living standard for all people.

Women are usually the primary or sole family care-takers in many developing countries. Helping them gain additional daily income improves the condition of their entire household. Putting extra income in women’s hands is often the most official way to affect an entire family, as women typically put their children’s needs before their own. Children are more likely to complete their education and escape the poverty trap than their parents are. Giving women access to micro-credit loans therefore generates a multiple effect that increases the impact of a micro-finance institution’s activities, benefiting multiple generations.

Grameen Bank in Bangladesh is a success story of MFIs. It has distinguished features of credit:

- It promotes credit as a human right.
• Its mission is to help the poor families to help themselves to overcome poverty. It is targeted to the poor, particularly poor women.

• Most distinctive feature of Grameen-credit is that it is not based on any collateral, or legally enforceable contracts. It is based on trust, not on legal procedures and system.

• It is offered for creating self-employment for income-generating activities and housing for the poor, as opposed to consumption.

• It was initiated as a challenge to the conventional banking which rejected the poor by classifying them to be not credit-worthy. As a result it rejected the basic methodology of the conventional banking and created its own methodology.

• It provides services at the door-step of the poor based on the principle that people should not go to the bank, bank should go to the people.

• In order to obtain loans a borrower must join a group of borrowers.

• Loans can be received in a continuous sequence. New loans become available to a borrower if her previous loan is repaid.

• All loans are to be paid back in installments---weekly or bi-weekly.

• Simultaneously more than one loan can be received by a borrower.

• Generally these loans are given through non-profit organizations or through institutions owned primarily by the borrowers. If it is done through for-profit institutions not owned by borrowers, efforts are made to keep the interest rate at a level which is close to a level commensurate with sustainability of the program rather than bringing attractive return for the investors. Grameen-credit’s thumb-rule is to keep the interest rate a close to the market rate, prevailing in commercial banking sector, as possible, without sacrificing
sustainability. In fixing the interest rate market interest rate is taken as the reference rate, rather than the money lenders’ rate. Reaching the poor is its non-negotiable mission. Reaching sustainability is a directional goal. It must reach sustainability as soon as possible, so that it can expand its outreach without fund constraints.

- Grameen-credit gives high priority on building social capital. It is promoted through formation of groups and centers, developing leadership quality through annual election of group and center leaders, electing board members when institution is owned by the borrower.

In Pakistan there exist the institutions providing micro-finance to poor but these institutions have negligible part of micro-finance to women. All the commercial banks along with Khushhali Bank, Small and Medium Enterprise Bank, Zarai Tarakiati Bank Limited, and Industrial Development Bank of Pakistan are providing micro-credit loans. A number of other programs, the prominent among them are Agha Khan Rural Support Program, Punjab Rural Support Program, National Rural Support Program and Malakand Rural Support Program. In the reference of Bahawalpur, Bahawalpur Rural Development Program is working.

2.10 Pakistan Labor Policies and Working Women

Since independence five labor policies have been announced by the Government of Pakistan in the year 1955, 1959, 1969, 1972 and 2006, which laid down the parameters for the growth of unionism, the protection of workers rights, the settlements of industrial disputes, and redress of workers grievances. These policies also provide for compliance with international labor standards ratified by Pakistan.
Labor Protection Policy 2006 is more comprehensive as it is not an instrument of social policy alone but, rather, an instrument of both social and economic policy. The effective labor protection policy bestows economic benefits on workers through increase in labor productivity. It covers five main areas:

- Basic right such as the right to join a trade union and bargain collectively, equal treatment and non-discrimination, the absence of forced labor, and the absence of child labor.
- Working conditions including minimum wages and above minimum wages issues, allowances and benefits, hours of work, overtime work, rest breaks and leave arrangements, including annual leave, sick leave and special leave issues, and job security provisions. These are the items that typically form the basis of the employment contract that creates both rights and obligations for workers, as well as for employees.
- Working environment including protection against the effect of hazards in the workplace involving issues of work safety as well as protection from work-related diseases and illness.
- Social security including protection against the effects of economic and social hardship resulting from a reduction in earning due to work accidents, work illness, unemployment, or retirement.
- The living environment including improved housing, protection against adverse living conditions with regard to health and hygiene, diet, sanitation, water supplies and other matters affecting workers in their non-working life, but which clearly impact on their capacity and productivity at work (MLMOP 2006:14).
The whole policy is concerned with the working women in informal sector as they are laborers but here we will discuss some more relevant sections of the labor protection policy.

The government reaffirmed the need to eliminate gender discrimination. It is committed to improving the role of women in the labor force, providing women with equal opportunities for employment, and making workplaces more conducive for women workers. The government is also aware of the need to develop a conducive environment to support greater participation of women in the work force, and will pursue this in consultation with Ministry of Women Development. Traditionally, labor policy has focused on protection for workers engaged under formal contracts of employment in both public and private sectors. Government is committed to extending labor protection to workers employed under non-traditional arrangements including self-employed persons, workers engaged in informal economy, homeworkers, contract-workers, seasonal workers, and workers in the agricultural and fishery sectors.

Workers in the informal economy experience various difficulties and deficits including:

- Unproductive and poor quality of jobs, with low productivity, and low pay;
- Limited or no protection in relation to working conditions (hours of work, leave), and the working environment (including lack of safety, exposure to hazards, and unhealthy workplaces);
• No social protection including old-age pensions, health insurance, unemployment benefits, work injuries and illness; and
• No representative organization and no voice on work-related matters

Government is committed to address these problems and aims to ensure that all employees, in all sectors, and all persons engaged in self-employment and informal economy activities, enjoy all aspects of labor protection.

Labor protection for persons working in informal economy will be assisted through the introduction of labor extension services, particularly concerning improved safety and health at work, and for some aspects of social protection. Such intervention will concentrate on education, information and advice, as compared with the application and enforcement of law typically found under traditional approach to labor inspection. Minimum wages, however, is one area where assistance to informal economy workers will be supported by legislation. The minimum wages, whether at hourly, daily, weekly or monthly rates apply progressively to all sectors and situations in which paid-work is done under employer-employee arrangement.

Workers and entrepreneurs in micro and family enterprises\(^1\) operating in the informal economy will benefits from increased knowledge of safety and health issues, and increased access to social security on a voluntary basis. Similarly, self-employed non-agricultural workers in both urban and rural areas will benefit from improved work safety and health and by gaining access on a voluntary basis to social security schemes.

\(^1\) Majority of the women in informal sector economy are working in such type of enterprises.
Extending labor protection to the country’s large and diverse informal economy is a major challenge. The informal economy supports millions of people across a large geographic area, undertaking a wide variety of low-pay, low-productivity jobs, under working conditions that are frequently harsh, unhealthy, and hazardous. Informal economy workers are not covered by labor laws but it is necessary for the labor administration to take the initiatives to see how it can best reach out to such workers and provide them with basic protection through the provision of advisory services, based on a labor extension approach. Workers in the informal economy, including home-workers and domestic workers, will benefit from improved safety and health arrangements, access to some social security arrangements, and the payment of minimum wages where an employer-employee relation is evident.

According to Labor Protection Policy 2006, women workers will benefit from the application of ILO Convention or Equal Remuneration, 1951 (No.100), ratified by Pakistan in 2001. Minimum and above-minimum wages will be paid on the basis of equal pay for equal work, and equal pay for work of equal value, as between men and women, in accordance with Pakistan’s obligations under ILO Convention 100 and 111 concerned with equality and non-discrimination, respectively. Women will also benefit from better information concerning their working conditions and arrangements in the informal economy, form improved maternity arrangements, code of conduct relating to sexual harassment and, where possible, day-care arrangements for their children. Government is committed to provide women with equal opportunities for employment and will re-examine existing legislation to ensure that women are not
denied access to suitable jobs that are arising due to Pakistan’s changing labor markets.

Insufficient is known about the nature and scope of sexual harassment in Pakistan’s workplace but, it is assumed that various forms of unwanted and unwelcome behavior of a sexual nature are likely to exist in some enterprises. In the first instance, the government proposes to access the nature and extent of sexual harassment in the workplace, examine existing codes, and prepare a consolidated and undated code of conduct to guide the actions of enterprises. Violence in the workplace, whether sexually oriented or not, is another issue that deserves appropriate legal intervention.

An additional component of labor protection relates to the advancement of the production efforts of workers through improved living conditions including improved housing, better sanitation, domestic hygiene, nutrition, and disease prevention. Such issues have a significant bearing on the overall health and well-being of workers, and thus influence their productivity. Accordingly, the government is of the view that the linkage between living conditions and the world of work is an important element of a labor protection policy.
CHAPTER 3

REVIEW OF LITERATURE

Reviewing relevant literature is to relate the research with the existing knowledge available on the problem under study. No such study, according to our knowledge, exists about the contribution of women in the household budget, for any country or region including Pakistan. However a number of studies are present about the time allocation and labor force participation decision of women for different areas, age groups and sectors. It makes us prefer to review these studies. This chapter presents the chronological review of literature.

In the earlier studies Shah (1975) analyzed the work participation decision of married women in Pakistan. she observed that availability of a responsible male member and availability of time by the woman after doing domestic chores tended to affect female labor force participation. She further observed that there was higher participation rate of divorced and widowed women as compared to married and single women. Abbasi (1980) analyzed the socio-economic characteristics of rural women of Sindh. The study indicated that in rural areas factors affecting women’s participation were conditions of land tenure, income of the families, availability of schools and the distance of school from the residence of women. The study segregated the factors affecting the labor force participation of women in urban and rural areas. In urban
areas, family background and family education were assumed to affect the female participation in paid work.

There are a number of studies which have focused on informal sector, Shaheed and Mumtaz (1981) conducted a study on informally employed women in Kot Lakhpat (Lahore). The study seemed to be the first one concerning informally employed women. It was a micro-study having qualitative analysis and comprised of a sample of 300 women workers, among them 77 percent were found engaged in sewing, knitting and embroidery. They were working at home for meager wages. Purdah, male opposition, pre-occupation in the household chores were hindering them in seeking better paid jobs outside the home.

Similarly a number of studies have focused on informal sector activities like Mohiuddin (1982) has analyzed the urban poverty and female-headed households. The study evidenced that female-headed households are increasing all over the world. The women are the poorest of the poor, because there is lack of access to productive resources and income, and they also face challenge of market oriented activities.

There are number of latter studies who have focused on a specific group of informally employed women, industry or profession. For example, Shah (1975) analyzed the labor force participation of married women; Abbasi (1980) analyzed the village-based activities of women; Shaheed and Mumtaz (1981) on piecework women workers; Mohiuddin (1982) has focused on female handicraft workers; Freedman and Wai (1988) analyzed the women workers in Barani areas; Hamid (1991) focused on poor settlements of urban and rural areas; Panda (1997) focused on female-headed households and female-heads; Camps-Cura (1998) analyzed the women work in textile industry; Khattak and Sayeed (2000) analyzed the sub-contracted working women; Azid, et. al. (2001) has focused on cottage industry; Mehrotra and Biggeri (2002) analyzed the home-based workers; Gonzalez (2004) has focused on work of single mothers; and Khan, et. al. (2005) have analyzed hazardous nature of work by women.

Female heads and female-headed-households are linked with informal employment of women. They have also been discussed by Panda (1997) in the perspective of their effect on well-being of children; Rosenhouse (1989) has probed the female-headship as proxy of poverty; Louant, et. al. (1993) discussed the welfare implications of female-headship of Jamaican households; Buvinic and Gupta (1993) analyzed the insecurity aspect of female-headed and female-maintained families of developing countries; Srinivasan and Dreze (1995) looked into the poverty status of widow-headed households in rural India; Varley (1996) analyzed the socio-economic status of women-headed households and Gonzalez (2004) probed the working status of single mothers.
compatible with domestic responsibilities. With no-education and training at their disposal and their dual duty as mother and worker dictate the type of job available to them, that is the informal sector job. In the cultural settings of Pakistan, females are confined to job where sex seclusion can be assured. One of the options is to work as a domestic servant. In the study the sample size of hundred domestic servants of Karachi were the respondent to the survey. The objective of the study was to identify and enumerate the female-headed households and make a composition of socio-economic and demographic characteristics between them and non-female-headed households. The survey was conducted at the demand points for the workers. In informal sector the street vendors, carpenters, mechanics, barbers are exclusively males while females are confined to home-based production\(^3\). Examples are handicrafts-workers seamstresses and domestics. The female domestics are commonly known as maseses, typically work in three or four house at one or more following chores: washing dishes, washing cloths, sweeping and cooking, and they are given 60 or 100 rupees per activity per month. There has been a significant increase in the supply of masses market as a result of migration of thousands of families from Bangladesh to Karachi. It is concluded that 83 percent households which are female-headed fall below the poverty line. The incidence of poverty is higher in female-headed household than in non-female-headed households.

\(^3\) Home-based work by women is one of the major segments of informal sector economy, having the characteristics of illiteracy, poverty and bad working conditions. It has been analyzed by different researchers from different perspectives. For example, Kazi and Sattar (1986) discussed the women working within the household in Karachi; Mirza (2002) analyzed the home-based women workers of informal sector; Mehrotra and Biggeri (2002) focused on the home-based women and child workers in India, Pakistan, Indonesia, Thailand and Philippines; Mirza (2002) has analyzed the home-based women and children in Karachi; and Khan, et. al. (2005) have focused on hazardous nature of home-based work of women and children in Karachi.
A study by Qadri and Jahan (1982) conducted a study on women in agriculture. They explored the participation of women in agriculture in two villages of Sindh, one representing cotton growing area and the other rice growing area. It was estimated that women accounted for 29.28 percent and 23.55 percent of labor in rice and cotton production respectively. Both the crops accounted for more than one third of women’s annual agricultural man-days. The visible input of females was found higher in cotton than rice. A similar study is by Hassan (1983) who had undertaken a study of rural women’s problems and aspirations. The sample comprising 449 women was selected from different villages of Punjab, Sindh, NWFP and Baluchistan. It was found that many of the respondents were aware of their rights and ability to earn income. But social censor had stopped them from taking any action.

Urban working women in Karachi have been analyzed by Kazi and Sattar (1986) to find out the relationship between socio-economic variables and the production and reproduction choices. The official statistics reported a very low participation rate of women that was due to the lack of permission for women to work outside the home from household particularly by male members. It determined the informal nature of jobs that mostly women take up, e.g. stitching at home, making paper bags, midwifery, vending food items and domestic services. The study is based on 110 working women between the age of 19 and 50 years, from which 93 were currently married, six were separated or divorced and eleven widowed. The 70 percent of the respondents gave financial pressure as a reason to enter the labor force while highly

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4 A number of latter studies have also recognized the heavy contribution of women in work in agriculture sector. For example, Freedman and Wai (1988) for agriculture activities in district Gujar Khan (Punjab) and Haripur (NWFP); Masood and Mahjabeen (1989) for farming operations in the form of handling, distribution and storage of produce; McGuire and Popkin (1989) for rural women’s activities in Pakistan, Bangladesh, Nepal, and Philippines and Akber (1992) for crop production; Mahmood (1998) for crop production activities is sowing and harvesting season; and Ramachandran, et. al. (2001) for tamarind processing in India.
educated women employed in high status remunerative jobs emphasized upon the pursuit of their carrier. The 51 percent of the women started their work before marriage. On the one hand there were highly qualified women employed in high status jobs working as doctors, teachers, bankers and administrator, on the other end are women working in informal sector, mostly un-educated having low status jobs as domestic servants, sweepers and vendors casual laborers and home workers. The income of women in this group ranges from Rs.380 to 735 per month. These working women's contribution to household income is remarkably high. In low income households women's earnings on average constitute more than half of total household income whereas for households having monthly income of Rs.7000 the women’s average contribution to total income falls to 29 percent.

The factors that affect the labor force participation decision of rural married women in Bangladesh are identified by Khandker (1986). Women select one among the three mutual exclusive alternatives, i.e. (1) producing cash-income from market employment, (2) producing cash-income from employment in the family enterprises, and (3) not producing cash-income. The data is restricted to married women aged 15-49 years. With the help of nested multinomial legit model, quantitative results have been obtained. The results employ that labor market participation of women is not exclusively fixed by the society, but are partially influenced by economic constraints. Human capital such as women’ education has significant effect upon women’ participation in the labor market. Women’ age, school distance, land-holding, market distance, wages for male labor and female labor, and child labor has been taken as dependent variables. Woman’s education, land-holdings and market distance have proved significant for market oriented production choice, while woman’s age, land-
holding, school distance and wages for male and female labor are statistically significant for not producing cash-income choice. An increase in the female wages decreases the probability of a woman working in home-production relative to production cash-income in market-oriented production, while children’ wages have no effect on mother’s choice of work pattern.

The female participation in economic activities has declined as depicted in a variety of data sources Chaudhery and Khan (1987). The most common among them are population censuses, labor force surveys and special purpose surveys. Female participation in economic activities is expected to depend upon four major factors, customs, need for and limitations to work, the level of education and the social status of the household. In practice there is a social division of labor within a household. In Pakistan on average, male is assumed to take the role of breadwinner and for female to accept the responsibility of childcare and house-keeping. The study concluded that household income is inversely related to female activity rate. The females of poor landless households make every effort to earn wages with view of raising the meager income of the household. Education is also found negatively related with women’ decision to enter the labor market. The effect may be in two ways. Higher the educational attainment of a woman, greater the time she spends in educational institutions and less the time available for productive activities. Higher the educational level of a female, lower the social barriers, she has to cross, and higher the prospect of securing well-paid productive work. The study further concluded that the phenomenon of green revolution has increased mechanization of agriculture,

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5 Though UNDP (1994) has estimated an increase in labor force participation of women globally.
which has increased the number of girl students in schools and reduced the female participation rate.

A sample of household in two villages of Malawi was analyzed by Engberg et. al. (1988) using production activity model. It indicated that women contributed a larger portion of their time to subsistence production. Moreover it was found that during the tobacco-growing season, women tended to shift their time from subsistence production towards tobacco production that could lead to higher standards of nutritional well-being of household members.

Freedman and Wai (1988) surveyed gender relations and development possibilities. The information was collected from the villages of district Gujar Khan (Punjab) and Haripur (NWFP). They concluded that the participation of women in agriculture was dependent on the economic status of the families as well as cultural norms of the areas. Pakhtoon women's participation level was found lower than that of Punjabi women. Only 31.33 percent of the respondents were involved in decisions making regarding inter-family affairs and in cooking and managing houses. However majority of the respondents were satisfied with their position as housewives in their homes. A similar study was done by Masood and Mahjabeen (1989) who have discussed the women’ involvement in farming operations in the fields and in handling/distribution and storage of the produce. The women were found actively involved in harvesting, processing and management of agricultural produce. They performed tasks like stock piling, cleaning and storing threshed grain and supervision of transportation of crop to house. Domestic storage of farm produce was found entirely women's domain.
The determinants of time allocation of women in rural Bangladesh based on data drawn from the sample of 500 households have been analyzed Khandker (1988). Data on time allocation of women was classified into two categories, home-production and market-production. Market-production includes work both inside and outside the home for each income production. The data analysis focuses on married women between the age of 15-49 years. Women’ time allocation in production and market-production has been taken as endogenous variables while women’ age, education, education of the husband, husband’ pre-marriage age, distance to school and town, predicted male and female wages have been taken as independent variables. The estimates of women labor force participation taking as dummy variables, by probit model have been obtained. By OLS estimates of participating and non-participating were obtained, by including the Mills Ratio estimates associated with the self-selected sub-sample in home time allocation equation. The results suggested that a woman’s labor force participation is endogenous to the household decision making. A woman’s wage, her husband’s education and distance from school increase the probability of a woman’s labor force participation, but husband’s age, his pre-marital assets and the household landholding decrease the probability of a woman’s participation in the labor market. The estimate of home time allocation has depicted that behavioral differences exist between participating and non-participating woman. To adjust sample selection bias in the case of women time allocation of market-production a censored regression technique, i.e. probit model has been used to estimate time allocation in market-production. Education has a significant impact on market productivity of a participating woman, but negligible impact on both her labor market participation and time allocation in market and home-production. A non-participating woman has a strong and negative impact on her time allocation and increase in
consumption of leisure, while men’ education appears to have significant positive impact both for women’ labor force and the time allocation in home and market-production. Women’ wages and the household distance to school have significant positive effects on participating women’ time allocation market-production and negative impact on her time allocation in home-production.

The time allocation of rural women in four selected developing countries, i.e. Pakistan, Bangladesh, Nepal and Phillipine was probed by McGuire and Popkin (1989). They concluded that Pakistan rural women’ work was heaviest. Half of their time was found being spent in agricultural activities. Akthar (1992) reported that women are major contributors in crop production and female labor force participation is 54.4 percent. They are found performing tasks like picking, planting, weeding, harvesting and winnowing in case of major crops, where as drying and storage operations were also done by women (see also Muzaffar 1992). Naheed (1992) found that technological changes had created a scarcity of waste, which was traditionally needed by women as fuel and fodder specifically in rural areas. Moreover it had deprived them of their income from selling natural and manufactured products as raw material.

Sultana, et. al. (1994) narrated that in a male dominated society like Pakistan women labor force participation can be expected to depend significantly on non-market factors. Women’ decision to work outside the home depends on social norms and economic constraints, such as lack of education (see also Chaudhary and Khan 1987), non-availability of job opportunities and low wage etc. The objective of the paper was to determine the factors effecting the optimum time allocation between market and
house-work of females in rural Pakistan. The results have been obtained by employing the estimates of female market time function using tobit and OLS models\textsuperscript{6}. The study is based on Beckerian approach in which each person derives utility by allocating his time to different activities in the market and as well as at the home (utility maximization criteria). The time allocated in market and at home has been analyzed for two groups of women, who participate and who do not participate. The concept of threshold wage rate (reservation wage rate) was introduced in the model. By definition women who were participating in the labor market were being paid wages above their reservation wage, and women who were participating were offered wages below their reservation wage. Findings of the study have shown that the home time allocation of participating women is statistically significant and higher than that for non-participating women. The results indicated that poorer women are more likely to engage in multiple activities. Women’s participation in labor force is affected by the poor economic conditions of the household. Women appear to work only in adverse circumstances to provide financial support to their families. The home time allocation for participating women is significantly and negatively dependent upon the women's age, education and the predicted wage rate of males in the household. The number of dependents also negatively affects the female participation rate. A negative effect of male wage is due to the wealth effect, which increases the consumption of leisure and reduces time allocation at home.

\textsuperscript{6} OLS model is prevalent in analyzing the time allocation, labor force participation and bargaining power of women. For example, Khandkaer (1988) has analyzed the determinants of time allocation of women in Bangladesh by applying OLS model on a sample of 500 households. Doss (1996) has used the model to analyze the bargaining power of women in Ghana. Lisseburgh (2000) has estimated the effects of human capital attributes on determinants of wages in Britain. Mammen and Paxson (2000) have probed the status of working women by using OLS model on cross-country data; Illahi and Grimard (2000) also used OLS model for analysis of work time of Pakistani women divided into household chores and market work. La Ferrara (2002) has used it to analyze the role of self-help in income-generating activities of informal settlements of Nairobi. Mehrotra and Biggeri (2002) have used OLS model to measure the productivity of home-based women in India and Pakistan.
In a multi-sector model Tiefenthaler (1994) has analyzed the determinants of participation of women in labor market. A woman chooses among four mutually exclusive alternatives, i.e. (1) working in the formal sector, (2) working in the informal sector, (3) working in piece sector, and (4) not working in the labor market. The objective of the household has to maximize household utility function, given the constraint impose by each woman’s labor force alternative. Women compare the levels of indirect utility obtainable from the various alternatives, and choose the participation status that maximizes household utility indirectly. Informal sector workers include all women who reported that they are self-employed. The data has been collected from urban and rural areas of the Philippines island of Cebu of 33 communities. Age, formal education and experience have been included in the participation equation as a proxy for the offered wages. Age of the women, number of children, non-labor income, husband’s education have been treated as independent variables. The dependent variable is the polychotomous, the chosen sector of participation. Multinomial legit model has been applied. The predicted offered wages have been strong significant effects on the probability of participation of women in all sectors. The human capital variables age, education are positively related with household productivity. Therefore increase in reservation wages decreases the probability of participation of women in all sectors. Women living in urban areas are less likely to participate in the informal and piece sector than women who live in rural areas. Though the rate of return of education is higher in the informal sector than in the informal sector, but education is significant in the piece sector.

Nigerian rural women have great potentials in sustaining the nation as it has been demonstrated over the years. However a number of socio-cultural impediments need
to be uprooted to enable them to do better in the future. Statistics show that rural women play a crucial role in the process of development. Omorogbe and Agbonifo (1994) estimated that African women make up more than one third of the work force. They account for 70 percent of the agricultural workers, 80 percent of food producers and undertake 60.9 percent of the marketing. So rural women produce the dynamic force on which the entire concept of development depends. But it is highly undesirable that their work is not recognized, who are so indispensable to the larger society. They have to face lot of barriers in their attempt to contribute to national development and to go ahead as agents of development. The top of these problems is the difficulty of rural women in gaining access to credit facilities. Rural women have no ownership rights because the pattern of inheritance is usually not through women. Gender bias in terms of project funding, lack of training, problems of illiteracy works as an obstacle in the way of their access to finances. So there is a need to stress on the agro-based organizations and banks to target the rural people especially women.

A study by UNDP (1994) estimated the increase in labor force participation, education and health of women. Women comprise about two third of the world’s illiterates and are still paid half as much as men for work for equal value. In no society, women are sheltered or treated equally. Endorsement of gender issues has been perceived as a win/loss scenario, as women’s gains have been seen as men’ losses. In future, message should be communicated as a win/win scenario: changing gender roles and relations is good not simply for women, it also benefits men, families, communities and would create significant intergenerational benefits.
Delayed marriages reflect economic and social progress that eventually affects women’s status and reduces the gender gap in many indicators. Abadian (1996) concluded that high female age is stated to be associated with female autonomy. Women are not reported as heads of the family, even where women are the sole source of economic support. Women are usually counted as heads of households where they are living alone or have no adult male in the household.

By using OLS model, Doss (1996) has analyzed the bargaining power of women in household economic decisions in Ghana. The conclusions of the research are based on the assumption that men and women have different preferences. There is evidence that income controlled by women is spent differently as compared with income controlled by men. If preferences differ between men and women then the effects of men and women bargaining power on household economic decisions can be realized. Women’s bargaining power is an important determinant of household economic decision. Bargaining power has been measured by education, labor income and the assets held by the women. The assets used in this paper include land, savings and business. The results demonstrated that the share of assets owned by women and the women's control of assets have significant impact on household decisions of expenditure patterns. Women's control of assets is positively associated with expenditures on human capital, including food, education and medical care. It is negatively associated with expenditure on non-essential items including alcohol, recreation, and tobacco. For urban households one percent increase in land owned by women results into 5.7 percent increase in the budget share on food. For rural households a similar increase in women's land ownership results in to 2.6 percent increase in the budget share on food. It is interesting to note that for both urban and
rural households the bargaining power of women increases the expenditures on education. This may reflect that women use their bargaining power to encourage men to increase expenditures on education.

Informal sector arises when excessive tax and regulations are imposed by government and lack the capability to enforce compliance. Loayza (1997) has concluded that determinants and effects of the informal sector are studied in an endogenous growth model whose production technology depends on public services. It has been concluded that in economies where the tax burden is larger than optimal and the enforcement system is weak, the size of the informal sector is large and negatively correlated with the rate of economic growth. Many Latin American countries have a tradition of weak government institutions and excessive regulations. By taking the data from Latin American countries the study has estimated the size of the informal sector. The size of the Informal sector is found to depend positively on the proxies for tax burden and labor market restrictions, and negatively on a proxy for the quality of government institutions. An increase in the size of the informal sector negatively affects growth by reducing the availability of public services for every one in the economy, and increasing the number of activities that use some of the existing public services less efficiently or not at all.

The differences in the use of resources between male and female headed-households and the relative well-being of children in terms of their access to social services and actual welfare out-comes is analyzed by Panda (1997). The per-capita consumption has been taken as indicator of welfare. Head of the household has been defined as a member on whom falls the chief responsibility for the economic maintenance of the
Data for this study has been taken from 1107 households of five villages in the Bolangir district of Orissa. With the help of multivariate regression, the effects of social economic variables have been analyzed on the welfare level of the household. The per-capita consumption has been taken as dependent variable. Female-headship has shown a negative influence on the welfare level of the household. The education, non-agricultural occupation of the head of household and per-capita land ownership has shown significant and positive influence on the welfare level of the household. The number of children in the household has shown a significant and negative impact upon per-capita consumption. Labour force participation data indicates that female-heads are more likely to work in the market place than women who are spouse of male-heads of household. Further results suggested that poverty and female-headship are strongly linked. Female-headed households come in the lowest income strata and the children of female-headed households are most disadvantaged both in terms of access to social services and welfare outcomes. Further results suggested that female-headed households spend less on high quality food, but the spending on personal consumption such as alcoholic beverages is low.

The current situation and role of women in the family is focused by Mahmood and Dure-e-Nayab (1998). It is true that men are viewed as head of the family in almost all social structures, who participate more in the formal economic and social affairs and decision-making in the community. It is equally true that women tend to play major role in household affairs in primary production and consumption patterns and generating income for the family. The outside role of men and their control over the resources empower them to have more influence in decision-making. Within the household women's decision making power depends much more on their social and
economic status, access to education, health-care and job opportunities. A study by Hakim and Aziz (1998) reported that there is a little improvement in the status of women with special reference to their decisions about household matters. Male dominance has become an expected norm leading to women’s secondary role in the decision making process.

Females in rural areas had highest participation in some selected crop production activities both in sowing and harvesting seasons (Masood 1998). It was further observed that 67 percent of male heads consult their females in farm decision. Out of this 32 percent has always consulted and 35 has consulted occasionally. The study concluded that education of the respondents and family income were inversely related with the participation of rural women in agricultural operation while there was no relationship between size of land-holding and hours contributed by the women in farm operations.

Charmes (1998) have calculated employment status and value added in the informal sector in focusing on women workers. The study has described the procedure to estimate women’s share of informal sector employment and contribution to GDP. Informal sector activities have been traditionally underestimated in national accounts of developing countries. A major reason may be the lack of data, but this reason is less valid now a days. Surveys that take better accounts of the informal sector have been carried out in many countries and their results have been made available for national accounts. It is not justified to isolate the contribution of women to informal sector and GDP. Efforts need to pursue in this respect. Women remain the main source of under-estimation of the informal sector.
The degree of gender discrimination in UK labor market in the 1990s is measured by Lissenburgh (2000). The author compared it to results from earlier decades. Data was taken from the British Household Panel Survey and the Employment in Britain Survey covering the period of 1990 to 1995. According to neo-classical human capital theory, in a competitive labour market wages differ between workers due to different productivity related endowments, which are education, work experience and training, but other than neo-classical theory there is wider range of other factors which determine wages, such as compensating differences, internal labour markets, monopoly and monopsony, occupational segregation and labour market segmentation. At the first step, with the help of OLS the effects of human capital attributes on the determination of wages were estimated. Once the wage equations were estimated, by applying Oaxaca-Blinder procedure, the gender pay gap was decomposed, which enabled to identify that proportion of pay gap which was due to men’s larger endowments of human capital and that proportion which is due to men achieving higher return on a given endowments of human capital. The later component is called discrimination. The measure of human capital, which was dependent variable in the wage models includes years of full-time experience, years of part-time experience and the time spend out on employment. Other variables include age, qualification, regional dummy variables and a dummy for part time experience. By comparing both results, it was concluded that discrimination was still an important cause of the gender pay gap. Women’s pay would increase by about 10 percent if they were rewarded in the labour market on the same basis as men. Although this unequal treatment had declined but still discrimination exist. The decline in discrimination was caused by reduction in discrimination rather than women’s relative increase in human capital.
Female part-timers faced greater degree of discrimination than female full-timers. Their pay would increase 15 percent if their human capital attributes were remunerated in the same way as of men’s.

The study by Mammen and Paxson (2000) described that how women’s status changes with economic development. Cross country and individual level data both indicate that women’s participation in labor market first declines and then rises with development. Women move from work in family enterprises to work as employees. The gender gap in education reduces and fertility declines, as income rises with development. These studies have further indicated that education of women improves with development and have U-shaped pattern of female labor force (see also Goldin 1995). In poorest and richest countries, the female participation rates exceed 50 percent. The lowest participation rate around 35 percent is for the countries with income around 2500 dollars per capita. These countries come under middle income countries classified by the World Bank. The countries that have the down-word sloping part of the curve tend to be African, followed by South Asian countries.

To support the cross country evidence on women’s work and economic development, evidence from Thailand and India has been taken which have diverse socio economic characteristics. In Thailand labor force participation rates for women have historically been high and it is not unusual for women to inherit, own and manage land or other capital assets while in India social norms prevent Indian women from having ownership and control of land. Data for Thailand has been taken from Socio-Economic Surveys (SES) which is a comprehensive household survey. The India’s data has been taken from National Sample Survey (NSS). By applying OLS model
(linear probability model) the regression results of indicators of married women’ labor force participation on measures of their own education (which serves as a measure of opportunity cost) and their husband’s education (which serves as a measure of unearned income) has been obtained. In India women with secondary schooling are slightly more likely to be in the labor force than women with less than secondary schooling. In Thailand secondary schooling has no effect upon participation. Women with post secondary schooling are 23 percent (for India) and 25 percent (for Thailand) more likely to be in the labor force than women with less than secondary schooling. Higher spousal education is negatively associated with women labor force Participation. Rural women are more likely to be in the labor force in both countries. More educated women are likely to work as employees rather than self-employed. In India, husband’s higher education is negatively related with work as an employee, perhaps there is more social stigma attached to women working outside the home in India, while the opposite is true in Thailand. But in both countries high spousal education is positively related with white color jobs of women. Women of scheduled caste or tribe are related with greater participation.

The impost of provision of infrastructure on women’ time allocation is probed by Ilahi and Grimard’s (2000). It is based on home production and time allocation framework developed by Becker (1965). A representative individual in household chooses optimum levels of consumption and leisure. The conventional neoclassical theory of labor supply has been incorporated with home production, which is an activity that requires human labor. Time devoted to home production by women can be valued in a similar way to market work. Women’s work at home responds to economic incentives of changes in market wages, unearned income and the
productivity of women at home. The study has investigated the effects of changes in community and household level access to infrastructure and time allocated to market work, and leisure and water collection. The data has been taken from Pakistan Integrated Household Survey (PIHS) 1991. Study sample consisted of 2400 rural households, having information at individual, household and community level. In the Sample 43 percent of the women collect water from sources outside the house. The average time allocated to water collection is only 3 hours per month for those who have in house water supply while others spend 22 hours per month in that activity. Probit model has been applied to obtain the results of the determinants of the decision to collect water. The estimation results show convex and downward sloping relationship between the probability of collecting water from outside the house and distance of collecting water. The distance to collection of water increases, the probability of collection falls but at a decreasing rate. The ownership of agricultural land and other productive assets has the effect of reducing time allocated to water collection, and increase time allocated to market activity, which includes work on family farm. Tobit model was applied to analyze the determinants of the number of hours allocated to water collection. Time allocated to market work declines with distance to collect water, but at decreasing rate. So the provision of in home access to water will increase time devoted to market activities. Increase in opportunity cost of time allocated to work has positive impact on allocation of time to work. The ownership of agricultural land and other productive assets have negative impact and time devoted to work is reduced.

The third dependant variable analyzed in the study was total work time, which includes household chores along with market work The OLS model results have
shown that women’s leisure is a cost of poor infrastructure. Women in a household that has invested in an in-house availability of water tend to spend less time to total work. Private investment in infrastructure reduces the total work burden of women. It may be interpreted that the saved time may be used for child-care activities or market work. The other infrastructure facilities such as electricity appears to have a strong wealth effect, it tends to lower the time spent in all types of work. Seasonal control dummies are significant in all regression except in the regression for water collection. The presence of other female adults allow women to share work responsibilities, significantly lowers their water collection time, market activity time and the total work load, and hence it increases leisure. Age of the women has concave relationship with total work hour and time spent in working hour. It means that time spent in work rises, reaches a maximum, and then falls again. The relationship between poor infrastructure and household poverty is established. The study proposed that poor infrastructure increase work burden of women. The improvement in water supply infrastructure may lower poverty through an increase in the participation of women in income generating activities.

Lockshine, et. al. (2000) has estimated the Early Childhood Development programs on women’s labour force participation and older children schooling in Kenya. According to 1995 Kenya Welfare Monitoring Survey, 50 percent of the rural households in Kenya are headed by women and half of all prime-aged (15-45) married women work in salaried occupations. The Kenya Welfare Monitoring Survey and Kenyan Early Childhood Development Centers Survey collected by the Kenyan Ministry of Education with the help of World Bank were the sources of data. The decision of a member of household to enter the labour market is determined by
comparing members productivity at home and in the labour market. Small children require constant care and a mother’s productivity is high at home as compared a potential return from outside work. The analysis was applied to the households with young children. Child-care has been divided into four categories, child-care provided by the mother, child-care provided by the other members of the household, child care provided by older siblings and formal paid child-care. The dependent binary variable, were mothers work status, the household use of child care facilities, the working status of other household members, and the households school participation. The independent variables were mothers offered wages, price per quality units of childcare, offered wages of other household members and non-wage household income. The independent probit estimates and SPFIML (Semi Parametric Full Information Maximum Likelihood) has been obtained separately. The estimation showed that the price of care has a negative impact on maternal participation in work force. The higher the potential market wage rate of the mother the more likely the mother will participate in labour force. The mothers from households where the education of the head is higher are more likely to work. Changes in household non-wage income have no significant effect on the level of mother labour force participation, on children schooling and use of outside home-child care facilities.

The effects of community programs on participation of women in China are discussed by Coady, et. al. (2001). Central population planning commission initiated the project Population Control and Community Development Project in 1993. It was implemented in villages across thirty four country towns in rural China. After 3 years program implementation a household survey was conducted for 57 villages with 38 treatment villages and 9 control villages. The questioner was specially designed to
have information on women’ economics and social participation within villages. The survey has provided the data for this study. The objective of the study was to find out the net results of the implementation of the program on preferred family size, gender bias and women’ participation in community life. The program aims on achieving women’ social as well as economic participation in the community, resultanty the formation of social capital through women’ participation in social life combined with human and physical capital enhancing the benefits of participants and non participants. The survey provided in 3 areas. (1) household socio-economic data, (2) women’ community participation activities (3) women’ attitude towards gender and fertility issues. The independent variables are the age and education of both husband and wife, number of laborers in household, land size and location of the household as regional dummies, and program participation dummies that take the value unity for households in treatment villages and zero for those in control villages. By applying multivariate least squares regression techniques the impacts of program on income has been estimated for participants and non-participants and for participation decision separately. The comparison of the total household income of treatment villages and control villages indicated that the program has increased the total household income by 27 percent in treatment villages. Probit regression was applied to estimate the effects of community program on the probability of an individual participation in labor market. The program has a large and significant impact on the probability of participation increasing it by 25 percent. Education of women has positively affected the probability to join the labor market. By introducing the individual participation dummies into OLS regression, it was found out whether program is affecting differently the participants and non-participants. The results indicated that the individual participation is positively associated with income. The relationship
between individual participation and income depends on whether one resides in treatment village or control village, the impact of the program on income also differ according to whether one participate or not. The estimates suggested that program increased the income of participants by 62 percent but decreased non-participants’ income by 20 percent. A non-participant residing in a village where the participation rate is increased to 65 percent experiences an income loss of 16.6 percent. Further the impacts of community program on expenditure on education, fertility attitudes and gender bias were estimated. The regression results show that the program has increased the expenditure on children education including school fees and expenditure on text books. The participation of women in community program has a beneficial impact in terms of reducing the probability of wanting a larger family by 7 percentage points. The program has a substantial impact in reducing the probability of preferring boys to girls by 24 percentage points.

Azid, et. al. (2001) have found a high degree of female participation in cottage industry of Pakistan and concluded that it plays a significant role in the development of country. The main objective of study was to analyze the economic behavior of female workers involved in the business of embroidery. The data of the workers was collected from the shopkeepers and from the middleman. Most of the workers engaged in cottage industry were not well-educated. Almost half (53 percent) of the workers families were living below poverty line. Only five percent of the workers families were having per-capita income of more than Rs 700. Furthermore, 77 percent of the families have income of less than Rs.500 per capita. Number of children has played a significant role in the participation of female in work, especially children under 5 years of age. It implies that looking after a child and earning of mother are
substitute of each other. Purdha and distance from the market also have their own impact on female labor force participation. Family in a rural society in Pakistan will send its female members to the labor market only if the family's income drops very low. The estimated coefficient of the poverty variable is strong and significant. So these workers play an important role in pulling the household out of poverty. The coefficient of age-squared variable is insignificant suggesting a linear relationship between women’s labor hours and age. But the sign of the variable is negative. Holding wages constant, an increase in the level of education increases the probability of women’ participation and time allocation in market production. The ultimate effect of an increase in women’ education level is indeterminate. Finally it is concluded that women’ work pattern in cottage industry need to be identified for public policy programs that seek to improve the well-being of rural population. The problem has two dimensions that is, to improve the status of female workers and the provision of incentives.

For India, Ramachandran, et.al. (2001) have compared the composition of total employment available to women, real wage for women, daily rated crop operation and the work participation among women, taking data of 1977 and 1999, a village in Tamilnadu, India. The source of data was Rural Labour Enquires (RLE) conducted every five years by the NISSO (National Sample Survey Organization). The study found that income from wages during the previous year exceeded income from non-manual employment or self-employment. The data was collected on the number of days spend by each worker on agricultural and non-agricultural activities and the earning from such work. Non-agricultural tasks were divided in tamarind processing, plantation work and other tasks. Tamarind processing is a specific task in the annual
work calendar of a women worker in the village. Women receive tamarind from tamarind merchants, they dry the fruit and shell, de fiber and decorticate it and fold the kernel over it. The processed food are weighed and women paid by the piece rate. Tamarind processing is either done at home or in sheds where groups of women works. A woman in tamarind processing work at lower wages as compared to daily rated cash paid-employment.

The determinants of participation of married women in five countries, Korea, Philippines, Sri Lanka, and Thailand, having different income levels, stages of development and cultural characteristics are analyzed by Cameron, et. al. (2001). The data has been taken from World Fertility Survey conducted by the International Statistical Institute. The analysis is restricted to married women of 15-49 years. Information regarding family size, labor market activity, education and spouse’s characteristics has been taken from the survey. Quantitative results have been obtained by implying probit model based on binary choice, i.e. whether the wife participation in labor market or not. The family structure has been represented by total number of children and the number of children born in the last five years. Other explanatory variables are the age of the woman, age of the husband, urban and rural locality of the household as dummy, education of wife and husband at tertiary, secondary, intermediate, and primary level. The empirical results indicated that the determinants woman labor force participation rates in Asia vary across countries. Woman’s education is positively related to the probability of working for cash income. In Philippines women are 25 percent more likely to participate in market-oriented activities, in Sri Lanka 17 percent, in Indonesia 16 percent, and in Korea 3 percent, but the earned income of women as percentage of men is the highest in
Korea. This indicated that the low participation of women in Korea is not due to low-wage offered to women. It is evidenced in support of the theory that household bargaining power is important in determining women’ labor force participation in Asian countries. In countries where gender roles are more traditional defined like Korea and Sri Lanka, increase in women’ education is less likely to reinforce women labor force participation, but countries having less rigidly defined gender role like Thailand and Philippines, there is a strong relationship between women’ education and labor force participation.

The effects of various demographic, socio-economic and human capital related factors on women participation in economic activities are examined by Naqvi and Shahnaz (2002). The study has used cross sectional data from Integrated Household Survey (PIHS) (1998-99) for the age group of 15-49 years. The decision-making has been dealt with two levels. First is the decision, whether the woman will participate in economic activity or not. The dependent variable being a dichotomous variable, the probit model has been used for estimation. The second level of decision making is related with woman’s empowerment, i.e. whether she join the labor market on her own decision, the decision is made by her consultation, or other members of the household decided alone. These alternatives have been categorized as 1, 2 and 0 respectively, for which Multinomial logit Model has been applied to get results. The explanatory variables have been divided into four categories. In the first category, the variables are the women’ characteristics, the age of the women in years, completed levels of education and marital status of the women. Second category comprised of head’s characteristics which include literacy and employment status of the head of the household. Third category is of household characteristics, which include gender of
head of the household, the number of preschool-age children, number of household members, type of household (nuclear or joint), number of male and female members in the household. Fourth category is about the financial status of the household measured by monthly household expenditures, and regional dummies to control provincial differences. The probit estimates indicated that age of the women is positively related with their involvement in economic activities. Married women are less likely to participate in economic activities however divorced and widows are more likely to participate in economic activities (see also, same type of results by Aly and Quisi 1996 for Kuwait). Education and participation of women has shown different results. Primary education is negatively related with participation. A women completing secondary level education has effected the probability of women’s decision to participate in economic activities by 2.3 percent and woman having completed above secondary level education is 19.7 percent more likely to participate in economic activities (see also Kozela and Alderman 1990). If head of the household is illiterate, the probability of a women to enter the labor market is increased by 5.3 percent, if head of the household is employer woman is 6.7 percent less likely to participate in economic activities and if the head is employee woman is 3.1 percent less likely to participate. Female heads of the households are 3.7 percent less likely to participate in economic activities. The existence of number of children aged 0-5 years decreases the decision of a woman to participate in economic activity. Women living in nuclear families are less likely to participate in the economic activities as compared with women living in joint family system. Women living in the rural areas of Pakistan are more likely to participate in the economic activities. The results of multinomial logit model have shown that woman age has a positive and significant affect on her decision to enter the labor market in both cases either she decides herself or with the
consultation. Education below matric level has no affect upon women’s decision power. Women with university education are three times more likely to join the labor market than the likelihood of a man (see also Kozel and Alderman 1990 for Pakistan). Married women are less likely to decide about their entrance into labor market. Presence of larger number of people in the household decreases the probability of women deciding themselves or with consultation.

For urban areas of Pakistan Mirza (2002) reported that the crude labor force participation rate for women is only 5.9 percent while 55.3 percent of them are engaged in informal sector activities. Lower-middle class women, who are not commonly qualified enough, confined as home-based workers in the informal sector are usually not gainfully employed.

The “role of self help groups” in income generating activities in the informal settlements of Nairobi is analyzed by La Ferrara (2002). People who do not have access to the formal labour market and whose options in the formal markets are unattractive can get employment in these groups and get benefits by pooling their resources. These groups are employers. The data has been collected by the author in the most populated informal settlements. It includes the income generating activities of different fields as craft making (wood carving, basket waving), tailor, garbage recycling, education and health services and informal landing. Each and every member of the group was interviewed, groups were mixed in terms of gender, with 33 percent of them being all women and 11 percent of being all men. With the help of multi variate analyses it has been investigated that how individual and aggregate characteristics effect the economic performance of these groups. The OLS estimated
represented that significant determinant of hourly earning was age. The returns to age were positive but, increased at decreasing rate with age. Education and marital status were not significant determinants.

Mehrotra and Biggeri (2002) have analyzed the home-based workers by using the survey of five Asian countries, two low-income (India, and Pakistan) and three middle-income countries (Indonesia, Thailand, and Philippines), where home-based work is widespread. There is a dual character of subcontracted home-based work, at the micro, as well as at the macro-level. This dual character is contradictory: on the one hand, it is an important source of income for the home-worker households and on the other hand, the poor conditions of work, the low rates of pay, the poor health and child labor exist. Most of the home-based workers in South Asia live below the poverty line, but some of the clusters have incomes above the national poverty line. The study has revealed that mostly home-based workers were working under conditions, which were exploitative by obtaining a small share of the total price paid by the consumer of the product they produce. They work long hours, at low piece rates (with delays in payment in many cases). The exploitation is essentially due to the fact that the workers are isolated, and even though they live and work in a cluster but there is little collective action.

Ordered logit model was used to estimate the relationship between dependent variable, i.e. health status of home-based women and a set of independent variables in India and Pakistan. The dependent variable was built on the number of diseases which varies from 0 (with no health problems) to 7. The intensity of disease was not judged but the number of illnesses affecting the women stand for more unhealthy-ness of
women. The women’s health-status was taken as function of women’s age, number of children, educational attainment, hours worked, type of job income and assets of the household. The education of women influenced positively the health-status of home-based women. The number of children and age of the women were negatively related with health-status of women. The expenditure per-capita in the household and the ownership of assets such as the house were found non-significant in Pakistan. The OLS estimates were carried out to measures the productivity of home-based women workers in India and Pakistan. Income earned by women was taken as dependent variable which depends upon age, years of experience, education, health-status, membership of an organization and electricity in the house. The results indicated that the age of the women and the inputs available such as electricity and years of experience were non-significant. Education of the women influenced their productivity positively and health status was negatively related with income earned by women in Pakistan and India. Membership of a women’s association of home-workers influenced the income earned positively and heavily in both countries.

Collective action and organizational membership have a positive influence on women’s productivity. It relates government support to relevant collective actions. The education and work experience have a positive influence on women’s productivity in value. Poor health status influences productivity negatively. The excessively long hours worked by women, especially young women (the double burden), the low piece-rates, the unhygienic working conditions, the lack of pension benefits keep families trapped at a low level of equilibrium and poverty trap. All is true in home-based work in the low-income countries. There is a need for supportive action to provide some competition to the subcontractors, by the creation of
cooperatives. Such cooperatives can only arise if home-workers organize themselves (perhaps with the help of some NGOs). The role of the cooperative would be to procure raw materials, ensure fair piece-rate, explore markets, and with the government support organize credit and assist in design development. The promotive role of government would be incomplete without some support, especially in the form of training for the subcontractor community.

The status of women and its relationship with education, work participation and family structure in an Indian state of Kerala has been analyzed by Eapen (2002). Women in Kerala, on average have been the most literate as compared to other states of India. They have played a central role in the social development of the country. However, uneasiness has increased with Kerala’s social development outcomes linked to non-conventional indicators a rising rate of gender-based violence, mental ill-health among women and the rapid growth of dowry related crimes. Different sources of data such as Population Census of India and micro level studies have been used.

Alterations in marriage, inheritance of property rights have changed the practices of erstwhile matrilineal groups as well as weakened women’s access to and control over inherited resources. Measures of literacy have improved in terms of enrolments rates but have not played the transformative role as expected, even higher education has not motivated the women to challenge the gender role assumptions. The changes in gendered work structure have limited women’s right to have independent sources of wealth. Family structures channel women’s education to specific areas facilitating occupational segregation, which are less-capital using and less-productive. The
differential occupational distribution by gender captured by the Occupational Segregation Index is very high. There are clear signals that families mediate education and employment decisions of women, channeling towards the marriagibility of girls.

Fafchamps and Quismbing (2003) has investigated that how human capital, learning by doing, gender, and family status affect the division of labour within household. The data has been taken from 12 rounds of household survey conducted by the International Food Policy Research Institute (IFPRI) in 4 districts of Pakistan. Randomly selected 1000 households in 44 randomly selected villages have been interviewed at 3 to 4 months intervals on a variety of matters ranging from incomes, assets, inherited land, human capital and time allocation to various activities. The data has been used to construct 3 groups of variables, market activities (farm and non-farm work), household chores, general time allocation in January and September. Human capital variable include age, education measured in years of schooling and childhood nutrition measured by height. Age and age square has been taken as measure of experience. Tobit regressions were computed for time allocated by households to farm-work, non-farm work, household tasks, leisure, and two aggregates of farm-work and market work. The tobit regressions of total time household members spent in household chores and in market oriented activities, and in various categories of non-farm work were estimated separately. The results indicate that intra-household division of labour is influenced by comparative advantage based on human capital and return to learning by doing. The better educated individuals enjoy more leisure. It was further concluded that rural Pakistani households operate like firms. The decision of a female to enter the labour market is not only determined by comparative advantage but also by social roles defined by society and the status of family. The husband look
after the market oriented activities and wives are responsible for household chores. Other household members fall under the supervision and management of husband and wife, who are at the top as head of the household. They work harder than their children and other male and female dependents. They control how income is spent but normally they are the residual claimant of household income. Children work less perhaps their commitment to household is weak and their parents are altruistic. Daughter-in-law works extremely hard often at par with the wife herself and certainly harder than daughters of comparable age, height and education. But they are least likely to be employed in market oriented activities within a household enterprise. There is an increasing return to scale in most household chores. The feminization of the work has important implications for the gender dimension of a household’s human development cycle from generation to generation. Girls can play a key role in breaking the inter-generational transfer of poverty.

Escriche et. al. (2004) have explained the existence of gender discrimination in labour market and focused on the intergenerational transmission of preferences related to women’ approval towards jobs and family. Men and women differ in their preferences for market verses non market work. There are two types of preferences in the women population, the job priority preferences and family priority preferences. The utility that a woman gets from a job is the sum of the wage and an extra satisfaction component. The women get the satisfaction of family priority if they exert low effort on the job since it allows them to spent more effort on family responsibilities. The distribution of preferences in women evolves over time and is shaped by the socialization efforts for both types which itself is determined by the actual distribution of preferences. Children require preferences from their parents. Parents are altruistic
towards their children in a particular form of altruism called imperfect empathy. The author has developed a model by assuming that each individual lives for two periods. During the first period as a child the individual is educated in certain preferences and at the beginning of the second period as an adult she becomes active in the labour market. They further assumed that each individual has female offspring and makes a costly decision of her education, trying to transmit some preferences. The authors have started from two types of steady state equilibrium: the discriminatory equilibrium in which women are segregated to low-paid jobs and the non-discriminatory equilibrium, in which women are hired in highly paid jobs. The results have explained the process of convergence to non-discriminatory steady state, which have been evidenced by narrowed gender wage gap in most western countries over the past 25 years.

The issue of sex segregation of jobs and its perpetuation over time as a disadvantage for women workers is probed by Eapen (2004). Social, historical, and economic factors play a role in determining the pattern of occupational segregation. Data has been taken from different rounds of NSSO of Indian state Kerala and micro level studies. The horizontal segregation indicated by the index of dissimilarity has declined in 1990’s in urban areas but slightly increase in rural areas. Women are more mobile between establishments for higher remuneration but hardly have obtained vertical mobility. In urban Kerala the share of women in professional categories is 21 percent which is higher than for all India, at 13 percent. Further disaggregation shows that most of the women are engaged in the lower rings of the professional hierarchy, for example, in teaching especially they are in schools and in the medical profession.

7 The decline in statistical discrimination is pointed out by Blau and Kahn (2000:85) to explain the decrease in gender wages in the 1980s.
The larger number appears to be in nursing and other health technicians and in administrative occupations as steno-typist, clerks and machine operators. In informal sector women are employed as house-keeper, maid, cook, beauticians etc. The larger proportion of women continues to work as agricultural labourer at plantation work. The female work participation rate in India has declined, proved by higher proportion of women moving into the category of not in the labor force.

Often in income generating activities, girl-children are more involved in helping their mother which is also confirmed by the surveys. In some specific sectors daughters’ account for 90 percent of the household members who help women in home-based work. If the mother is engaged in home-based work, the older girls in the family or the other ones take responsibilities for caring other children, affecting their own schooling. In other words, there is a strong case here for providing community based childcare, so that the older girls can be freed from this care giving responsibility. The low educational level of the home workers, and the health-related problems faced by them, indicated that without public interventions, it could not be solved. This finding is confirmed by the econometric results, examining the determinants of health status in India and Pakistan. In particular, it is important to underline the positive role of education in health status. Finally, collective action by the home workers will be needed if their earnings are to rise. This was confirmed by the econometric analysis results for the same two countries.

Van (2005) has developed a model based on the concept of the type of work women do affects the extent of industrialization in their economies. In low-industrialization economies multiple equilibria are possible in capital-using sector, land-using sector,
and services sector. The negative impact of a large service sector on manufacturing is a form of Dutch disease. Women mostly working in services sector and little in manufacturing create forces that reinforce a low industrialization state. Asian economies showing high economic performance have experienced the highest growth in manufacturing export industries of female intensity. Empirical evidence shows that women get low wages as compared with men. Women’ low wages attract capital, which comes in developing countries in the form of foreign investment. The competitiveness of high manufacturing export industries depends on low wages. Women also facilitate industrialization in another way. Women tend to have low skilled jobs, while men work in high skilled fields that allow them to accumulate productive human capital. Opportunities for men to accumulate human capital are made possible by the employment of women in the manufacturing industries. The model is based on endogenous growth set up. Women’ employment in the manufacturing needs to reach a sufficient size in order to make the economy to move towards high industrialization of steady state. The model has its implication in economies with certain classes of workers that by history or institutions do not have access to certain type of jobs. For example workers in certain castes or disadvantages ethnic groups might have access to unskilled jobs with little human capital. The choice of occupation of these workers matters for the growth path of these economies. Technological growth depends on the size of the manufacturing. As the industrialization process is sprained up by lower wages, it would over time raise wages of these workers.

Gendered Computable General Equilibrium Model for Pakistan to capture gender dimensions of time allocation of men and women among market, non-market
(household activities) and leisure activities is applied by Siddiqui, (2005). The major concern was to know the shortcomings in the analysis of gender dimensions of the impact of trade liberalization and fiscal adjustment. Social According Matrix (SAM) shows how much time in hours is spent on various tasks like market-work, non-market work, household activities, and on leisure. Aggregate SAM of market economy has been taken from the study by Siddiqui and Iqbal (1999), which specially dealt with male and female laborers in labor market and their wage income in household income. According to revised data collection technique of Federal Bureau of Statistics, women participation rate in market economy is about 50 percent instead of 11.8 percent (calculated on the basis of old technique). According to revised data collection technique if a woman is involved doing such work as harvesting, sowing seeds, cotton-picking, maize and rice husking, livestock and poultry-farming activities, construction work, collection of fire-wood and cotton sticks, fetching water, making clothes, sewing, knitting, shopping, marketing and preparation of goods and material for sale she will be included in the labor force. According to improved female participation rate based on new technique female participation rate rises to 52.8 percent from 14.4 percent in 2001-02. The aggregation of data by manufacturing industries reveal that the share of female employment during the adjustment period has increased in export oriented industries such as textiles, sports, surgical instruments and fisheries, that is the 86 percent of the total employed women supported Siddiqui, et. al. (2003). The data has been taken fro Gender Planning Network Survey, which was conducted in three cities of Pakistan, Sialkot, Faisalabad, and Karachi. It has provided information of both men and women working hours and household activities. Minimum time spent for personal care (sleeping, eating, personal hygiene) has been taken as 10 hours per day. Subtracting 10 hours from 24
hours, the remaining 14 hours can be devoted to market and non-market work. Leisure has been calculated as subtracting time for market and household work from 14 hours a day. Opportunity cost of time used of females in non-market activities is the wage rate of men and women in market activities. The results have shown that 51.9 percent of the available hours to men allocated to market-work, 10.7 percent to household work and 37.4 percent to leisure activities, while women spent 37.7 percent time in market activities, 42 percent in household-work and 20.3 percent in leisure. It is evidenced that women have long working hours than men as they have less leisure time as compared to men. Further the manufacturing sector has been divided into two sectors, export-oriented that is textile sector and import-competing, that is other manufacturing. There are 61 percent of the exports from textile sector, which is female labor intensive, where women spent 21.9 percent of their labor time. How economic reforms affect production activities leads to change in the allocation of time to men and women among market, household and leisure activities, which in turn affects wages, welfare, employment and poverty. Since 1990 tariff rates have been reduced on imports of agriculture, textile and other manufactured goods by 63 percent, 83 percent and 44 percent respectively. The results have shown that total working hours for men and women have declined from 79.9 and 62.7 percent to 79.5 and 61.6 percent respectively. Leisure time of both men and women has increased. Male wage rate has declined by 5.5 percent but female wage raised by a very small amount of 0.1 percent. Trade liberalization combined with increase in sales taxes has increased total working hours for men and women to 80 percent and 62.7 percent from 79.7 and 62.6 percent respectively. So the trade liberalization with compensatory measure is not gender neutral. The implementation of the reduction in fiscal deficit has resulted as a rise in demand for female labor in household
production by 0.7 percent and for male labor by 0.9 percent. The wage rate for men and women has risen by 0.4 percent and 1.4 percent respectively. Reduction in fiscal deficit combine with rising taxes has reduced household income, but the demand for household produced goods has risen as substituted for market goods. Demand for female labor has risen but nominal wage for women fell by 0.8 percent. The reason may be that trade liberalization in presence of compensatory measures has generated employment opportunities for women.

The hazardous nature of home-based work of women and children is focused by Khan, et. al. (2005). They investigated the contribution of the women and children to total family income, and the impact of increased earnings on improving household nutrition, health and education. Study is based on 300 surveyed households, where the home-based work was going on. As a control group 100 households were taken where the home-based work was not going on. Four sectors of home-based work, i.e. *agarbati* (incense tick) making, carpet-weaving, sack-stitching, and pawn-peeling have been analyzed in the city of Karachi. In the binary logistic model the dependent binary variable was whether the household was engaged in home-based worker not. The independent variables were household size, living condition index, household debt, per capita household expenditures, ratio of females to household size and squared per capita household expenditures. Household size and living condition index were significant variable to affect the decision of a household to engage in home-based work. Household size was positively related with the decision of a household to engage in home-based work, while living condition index has shown a negative relationship. The determinants of schooling were also analyzed. The regressed variable was the ratio of school-going children to school-going-age children. The
independent variables were household size, living condition index, household debt, per capita household expenditures and ratio of number of females to household size. In the analysis of schooling of children, the choice of home-based work by household was also added, which was not significant but negatively related with schooling of children. Household debt was also negatively related with children’s schooling. The study further found that mostly the home-based work was taken by women and girls. In 26 percent of the cases, the head of the household was a male and he was not doing any work and relying on the earnings of the home-based work of women and children. On average a woman spent seven hours doing home-based work, another four hours were spent on household chores. In spite of such heavy work load these women were subject to be ill-treated and sometime beaten by their husbands. The man disadvantage of home-based work was identified as the negative impact of hazardous home-based work on health status of women and children. Two fifth of the women were compelled to be engaged in home-based work, because the restrictions were imposed upon their mobility by male members. A child was devoting 5 hours to work and on average he/she started the work at the age of seven and a half years. Further it was concluded that the earnings from home-based work did not lead to enhance the empowerment of women, in the context of mobility, greater say in household decision-making and independence in spending earned income. Women’s bargaining and organizing ability was found weak which makes the empowerment low. Women and children of the control group were enjoying better quality of life in terms of health and leisure. There was no organization working with women to assist them to improve their life and working conditions and to provide some kind of leadership. Women were exploited by subcontractors by paying meager wages e.g. Rs. 5 were paid for making 1000 agarbatis, Rs. 10 for pealing one Gala of prawn, Rs. 3000 for a
5x8 carpet and Rs. 30 for stitching 100 jute bags. The unhygienic environment was much conducive to the spread of diseases and thus health expenditures of these households were found large.
CHAPTER 4

ECONOMICS OF WORKING WOMEN AND
INFORMAL SECTOR

Men and women have different preferences regarding leisure and work and combination of both. These options are substitutes, though no close substitutes, depends upon a series of socio-economic, cultural, political and religious variables. The working women have to give time for household management along with economic activity so economics of working women differs from men. In this chapter we will discuss the theoretical aspects for analysis of working women in informal sector.

4.1 Decision-Making of Work

Household is a basic decision making entity in society, in which members of the household decide how to spend their time which is strongly influenced by the decisions of other household members. Decision making within household is inter-related, for example, a wife’s decision to enter the labour market depends on whether her husband is currently employed or not. In economic theory household has been taken as an economic unit that is producing utility yielding commodities. These utility yielding commodities are produced by household by combining goods with time. A household can use the time available to it in at least three basic ways:
• Sold in the labour market to get income and purchase goods and service;
• Used in household production;
• Used in actual consumption of goods and services.

The total amount of time available to the household is limited. The alternative uses of time are competitive with each other. The family in which both spouses are engaged in labor market will have less time available for household production consumption than the family with one non-working spouse. Commodities can be divided into two groups in the context of allocation of time, i.e. time-intensive commodities (composed of large amount of time and a small amount of goods) and goods-intensive commodities (require large amount of goods and little time). The implication of this distinction is that as time becomes more valuable in the labor market, wages increase and household opt for goods-intensive commodities rather than for time-intensive commodities. The greater time will be devoted to market work.

Models of household production are based on the pioneering work of Becker (1965) who was the first to formulate a utility maximization model of certain goods which were produced by both time and market goods inputs. The model was further extended by Gronau (1973) and Kooreman and Kapteyn (1987) to include home production with leisure. Household production models recognize that production and consumption both take place at home. How individual family members allocate their time among labour market work, home production, consumption and other possible uses. Becker was the first to articulate that comparative advantage and learning by doing determine the intra-household division of labour. The principle of comparative advantage says that an individual will specialize in that productive activity which he
can perform with the greatest relative efficiency or with least opportunity cost. A household should compare the productivity of each family member in all market and non-market activities in producing commodities. The basic rule is that a person more proficient in a certain activity will devote the greater amount of time to that activity. He argued that a member who stays at home to take care of domestic chores should be the one with the lowest expected wage relative to his productivity in domestic chores, as dictated by economic efficiency. The family status, human capital and learning by doing determine division of labour within household and individuals are locked into specific tasks as a result of their certain characteristics. Each family member has different characteristics with respect to age, sex, educational attainment and previous labour market and non-labor market experience at any point of time. They will substantially differ in relative efficiency in producing market and non-market activities. It will be optimal for household members to specialize in certain tasks, because the returns to specialization appear caused by learning by doing (Becker 1981). In the presence of returns to specialization, if some tasks require different levels of human capital, experience and strength, then again the division of labor will be based upon the principle of comparative advantage. Many females develop a comparative advantage in all aspects of household production for example in home making activities such as cleaning, food preparation and caring for children because of their socialization process, and they continue to perform the same task.

Returns to specialization increase with the size of the household. It is one of the reasons why households are formed to take advantage of returns to size (Fafchamp and Quisumbing 2003). In home tasks the return to specialization need not depend on differences in human capital or experiences. Many tasks are simple enough and can be
performed by anyone with minimal tutoring. In some cases the matching of individuals with particular tasks becomes arbitrary, but in some tasks matching is much important to obtain returns from specialization, due to specific group characteristics, e.g. physiological differences in body size and reproductive system. If specialization is enforced by the desire to capitalize on task specific experience, household members would continue to perform the same task over time. If tasks are easy to learn but returns to specialization arise from coordination, individuals would switch from one task to another over time, to break out the monotony of routine.

Another group of theories dictate that intra household division of labor is provoked by a desire to follow social norms\(^1\) or to satisfy individual preferences, not by an endeavor to obtain returns from specialization (Khandker 1988; Sultana, et. al. 1994). The social norms dictate that husbands would devote much of their time to labor market work, while their wives would be engaged in non-market work within the home\(^2\). Intra-household bargaining power and preferences are strongly correlated with gender, age and family status. The criterion of intra-household equity suggests a perfect division of labor that achieves gains from specialization. If preferences are identical but some tasks are more pleasant, members with more bargaining power would allocate themselves the preferred tasks, leaving less appealing tasks to others.

The theoretical framework of female participation in economic activities in the perspective of the structure of the household in developed and developing countries is

\(^1\) See Hazan and Maoz (2002) for a model about the dynamics of tradition or social norms in women’s labor force participation.

\(^2\) Becker (1985) hypothesized that household responsibilities affect wages by reducing the amount of effort available for market work. Hersch and Stratton (2002) found that because women spend substantially more time on household controlling for house-work time increases the explained component of the wage gap by 14 percentage point.
different. In developed countries households are small with at most one working adult male and female. In developed countries the existence of markets for utilities, food preparation, and child-care and like other facilities has drastically reduced the number of tasks undertaken by households. In small households with few tasks to perform, the potential of intra-household division of labour is limited. But in developing countries the situation is different, households being a large identities work as self-sufficient subsistence economies. Households provide much of their own food, fuel, water and child-care and multitude of income generating activities.

A number of researchers have developed models of home time allocation in developed countries. But in developing countries the empirical research on time allocation has been dealt by taking into account the realities of home production and household structure in these counties. So researchers have analyzed the choices of men and women between household and market oriented activities in South Asia. Division of labour in South Asia can not only be attributed to systematic differences in preferences between men and women, social roles are more important, patriarchy, female seclusion, gender, age and class hierarchies affect time allocation of men and women (Sathar and Desai 1996). In several activities, gender differences are so strong that gender is the only major determinant of work allocation. Furthermore, family status also matters. Households work like firms, having hierarchical structure. Husband and wife are at the top, each having a separate sphere of activity. At first husband and wife take a major responsibility of household activities. Household members who are not the head or his wife, their sons and daughters participate less in

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4 See for instance, Khandker 1987; Alderman and Chisti 1991; Skoufias 1993; Sultana, et. al. 1994; Sathar and Desai 1996; and Fafchamps and Quisumbing 1999.
all household activities. They work harder than their children and other male and female dependents perhaps they are less committed to household matters (Fafchamp 2002; Becker 1981) or parents are altruistic towards their children. Daughter-in-law works extremely hard and is less likely to undertake market activities and not allowed to work outside the home, due to the prevalent social norms prevalent in society, perhaps she has a long term stake in the household in the context of long term prosperity (Fafchamp and Quismbing 2003; Eapen 2004).

4.2 Gender Preferences for Work

Gender differences in labor market outcomes are determined by gender differences in preferences for work. What is the source of gender differences in preferences? It can be discovered by knowing that how preferences are evolved over time. Preferences are private information and it is difficult to know their evolution, but literature has documented a drastic change in women’s preferences in the context of their attitude towards labor market. In the last thirty years because the gender roles transmitted during socialization process has changed (Thornton et al; Dex 1988; Moen 1992). Rising trend of female labor force participation rate, decline in fertility rate, enhancement of female educational attainments, delay in marriages, and female-headed households have changed women’s preferences towards work for remuneration. Pre-market gender discrimination in educational system and child rearing practices may be the sources of differences in preferences. Discriminatory treatment of parents for boys versus girls may be the result and cause of differences in preferences. Children acquire their preferences from their parents, while parents care much about their wellbeing. The expected utility their children will obtain in the labour market depends on their preferences. Consequently they try to transmit more
valuable preferences through socialization process (Bisin and Verdier 1998) by taking into account their own expectations and socio-cultural environment in which their children grow up. The differential treatment of boys versus girls may be rational response by parents, for example the altruistic parents will shape the preferences of their children so that they may remain comfortable in their traditional roles, because they know that their female children have to face discrimination in the market of male occupation (Altonji and Blank 1999). Individual effort is limited and is expected to be allocated among different activities. Effort spent on home-work reduces the effort available for market work. Household responsibilities negatively affect wages by reducing the amount of effort to put in market work (Becker 1985). It’s the utility obtained from home production which drive the women to enter in jobs which are easily monitored (Bulow and Summer 1986) and job attributes contribute as a significant factor to determine the male and female earning differential (Blaue and Kahn 1997). Sexual segregation across employers is related to quantitative differences in education and other personal human capital endowments. Gender segregation in the educational choices within a given educational level does not seem to have an impact on segregation between employers paying high and low wages. This leaves some scope for other factors like gender differences in job search behavior, and personal preferences such as personal time and regional mobility. Studies have proved the increasing trend of participation rates of women in the labor market and rising inclination to improve their basic human capital. As a result there has been a large fall in the raw earnings differential between men and women. The remarkable increase in education of women has reduced gender differences in segregation across employers (Dolton, et. al. 1999)
4.3 Time Allocation for Work

Male and females have different preferences regarding leisure and work. These two ways to spend time are substitutes, but not close substitutes. For females the choice is between market work and household work. Time series studies and cross sectional both indicate that income effect dominates the substitution effect for males, thus men have negatively sloped labor supply curve. Under income effect the increase in wages has a negative impact upon supply of hours devoted to work. A number of studies in developed countries have proved this trend (Gendell and Siegel 1992; Samwick 1998). A variety of factors have been cited to explain this phenomenon, which includes rising real wages, the increasing availability of public and private pension, greater access to disability benefits, and varying allocation of time over one’s life cycle. Economic growth in developed countries has been accompanied by rising real wages, and society has become more affluent over time, which has allowed more and more workers to accumulate sufficient wealth and to retire at early age. Secondly the rising trends in social security benefits and pension has become a source of providing non-labor income and has induced the male workers to withdraw from labor force.

The results of studies regarding participation of women in labor market indicate that the substitution effect dominates yielding a positively sloped labour supply curve for women (Mincer 1962). The relatively larger substitution affect among women probably reflects the traditional household role of married women rather than sex related differences in work leisure preferences.

This is primarily a consequence of more acquired skills by women through education and increase in opportunity cost of staying at home. Within the framework of
Becker’s model, higher wage rate will generate substitution affect by increasing the number of hours devoted to paid-work. It reduces both production and consumption activities within the home. Goods-intensive commodities will be substituted for time-intensive goods in the households mix of consumer commodities. Both adjustments will free the wife’s time from household activities so that she may spend more time in the labour market. The income affect on married women may be small because its size will vary directly with the amount of time, they are already devoting to labour market work. In the extreme the income affect of a rise in wage rate will be zero for married women who are not currently participating in labour market. A wage rate increase will increase a person’s income only if the individual is currently providing hours of labour market work.

### 4.4 Human Capital and Income Gap by Gender

The gender gap in human capital accumulation has been nearly eliminated in developed countries. In developing countries women continue to lag behind in the educational process. There is a presumption that a lower rate of investment in the education of girls than of boys slows economic growth (Sabot 1992). Wage discrimination in labour market, the strong attachment to traditional gender roles affectively limits female access to high productivity sectors, activities and occupations. Gender roles within the household result in different shadow prices of investment and for time in schools. Differences in the demand for schooling account for gender gap in human capital accumulation (Hadded 1990). In developing countries gender gap in human capital accumulation originates in the supply side of the market for education. There may be greater differences in school availability and school quality. Parents might send their girls only if a school for female is available.
Gender gap in human capital accumulation has been nearly eliminated in developed countries. But in developing countries women continue to lag behind in education. There is a presumption that lower rates of investment in the education of girls than of boys affects productivity of females, which slows down the economic growth (Sabot 1992).

Wage discrimination in labor market and the strong attachment to traditional gender roles effectively limit female access to high productivity sector activities and occupations. Gender roles within the household result in different shadow prices for out of school investment in human capital and for time in schools. Differences in the demand for schooling account for gender gap in human capital accumulation.

4.5 Female Participation in Economic Activities: Trends

The participation of woman in labour market has increased largely after Second World War. The stigma against working wives disappeared and the general disapproval for married woman working out side the home by the society had been weakened. The consideration that a man would loose status and be regarded as a poor provider if his wife was participating in labour market vanished. But after Second World War attitudinal turn about occurred that made the labour force participation by married woman widely condoned and encouraged. This change in preferences may explain of the rising propensity of woman to work, but it doesn’t explain the cause of the changing preferences. Married woman work more in homes, and for pay less than man and unmarried woman. The income effect for them tend to be smaller and substitution effect larger. There is a high degree of substitution between market-work
and household-work if market work is performed, household chores are hired out to specialists, e.g. baby sitters or machines. Because married woman have traditionally performed household work to a greater extent than men and unmarried women, we would expect this influence on the overall substitution effect to be more important for a married woman.

The decision of a woman to enter the labour market has been necessitated by the family’s desire to make ends meet. It implies provision of basic food, clothing and shelter. In other instances, it means preserving middle or upper class life styles, including living in comfortable homes and enjoying household electronic equipment. Families look for ways to maintain their standards of living.

The participation rate for women has increased due to the availability of time saving household goods and related innovations such as cloth washers, freezers, supermarkets, fast-food restaurants, that free up time that married women could devote to labour market work. These innovations may have appeared in response to needs that arose when women decided for other reasons to enter the labour force. The rising real wage rates and expansion of women’s jobs in the service industries are the other important reasons for rising female participation rate.

Better amounts of improved machinery and equipment permit workers to produce a unit of output with less time. Similarly the availability of more and better capital goods for household use has permitted households to reduce the amount of time needed to accomplish both production and consumption within the home. For example, the availability of refrigerators, freezers, microwave ovens, vacuum
cleaners, automatic cloth washers and driers, and dish-washers have greatly reduced the amount of time in food preparation and house-work. Fast food restaurants circumvent the time intensive activity of food preparation and house-work. In Becker’s model the increased availability of household capital goods has increased productivity of women in the home, thereby freeing time from household production and consumption and allowing many women to engage in full-time or part-time employment in the labour market.

Participation of women in economic activities is negatively associated with fertility rates\(^5\). The presence of children, particularly pre-school children is related with low participation rate for wives. Fewer children reduce associated home-making responsibilities and free married women for labour market work. The compression of time span over which children are born reduces the amount of time devoted to work by females, during which many women remain absent from the labour force market for child-raising responsibilities. Child-care is highly time intensive household productive activity that keeps many wives out of the labour force. Child-care centers and baby sitters can be substitute for wives in caring for children\(^6\) but opportunity costs involved discourage such substitution. More-educated women who can command relatively high wage rates in the labour market tend to have fewer children than less-educated women for whom wages are low. Becker’s model provides explanation for this relationship. The opportunity cost of rearing children, the income sacrificed by not being in the labour market is higher for more-educated women than for those who are less-educated. In household production model children are

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\(^5\) Though, in the last decade, the relationship across countries has been positive, for example, countries such as Germany, Italy and Spain have the lowest fertility rates along with the lowest female labor force participation rates (Apps and Rees 2002).

\(^6\) The provision of child-care centres outside the home may affect the likelihood female labor supply positively (See for details Apps and Rees 2002)
considered as capital goods, a child may yield benefits in the form of future income flows for the parents that is, the child may provide labour and thus income for a family or business on the other hand this decision to have a child implies both direct and indirect opportunity costs. It involves expenditures for food, shelter, healthcare, daycare and education. The indirect cost involves the cost or value of the time that parents devote to a child’s care. One of the primary costs often is the forgone labour market income of the mother who remains out of the labour market to care for the child. Children are time intensive commodities. If the future stream of the benefits exceeds the stream of cost, people will decide in favor of having a child. But if the costs exceed benefits the person will chose to forgo to have a child (Becker 1976; Fuchs 1983). Over time the widespread availability and use of birth control techniques and changing life styles has reduced birth rates and female participation in economic activities has increased. Fertility control is deemed significant but cause and effect are difficult to unravel (Fuchs 1983), whether the entrance of females in the labor market has forced the women to have less children or the low fertility rates have provided free time to women to enter the labor market. Furthermore the popularity of feminist movement among women has altered the behavior of women towards professionalism. Anti-discrimination legislation has changed women’s preferences for paid-work. These changes made the environment conducive to participation of women in labor market and contribute in household income.
4.6 Female Labor Force Participation in Pakistan

With the passage of time, a sense of income generating activities has developed among Pakistani women. The rural females are playing a significant role in the production of agriculture sector. Rural females participate in agricultural activities like fodder-cutting, preparation of seeds, cleaning and storage of grains, picking cotton, sugarcane stripping, threshing and winnowing. Their part of work may be visible, but remains unrecognized and unaccounted. Women work 16 to 18 hours daily with no break for rest and recreation even they have no holidays (Qamar 1990). The fact is that the contribution is neglected because most of them work on their own fields, without any wages. Even contribution of these women, who work on wages is generally, not taken into account. Rural women are also involved in some other forms of production outside agriculture such as home-made crafts and related trade (Fafchamp 2003). Income earned from such occupations has a great importance to their family survival (Sen 1985).

Similarly in urban areas a chunk of women work hard to enhance the income of their families, and to provide better life to their family members (Shaheed and Mumtaz 1982; Sathar 1988; Bilquees 1989). Most of the activities of women are related to home-made crafts. Crafts production is culturally a sanctioned enterprise practiced by many women. It has a special attraction for women in Pakistan’s cultural setting because the work is done within the confines of home (Khan, et. al. 2005). It includes embroidery, sewing, carpet-weaving, knitting, purse-making, etc. The other income-earning activity of women working in informal sector is to do the job of housemaids. It is a job within homes, such as washing of clothes, cleaning of homes, preparation of food and child-care at meager wages.
Micro studies have proved that, poorer the household, greater the involvement of women in paid-work and larger is the contribution to total household income (Mehrotra and Biggeri 2003). In such families, their primary focus is to keep their families above poverty level. In wider perspective, they are putting their energies and potentials in nation building.

Intra-household allocation of resources is determined by individual preferences and bargaining power of household members, which consequently affect the outcomes of economic decisions. There is a plethora of studies which have proved that female bargaining power and autonomy have larger affects upon household consumption, child schooling and nutrition (Doss 1997; Behrman 1997; Rose 1998). Labor allocation as well as resource allocation decisions within households are determined and influenced by women’s status. A woman who earns no income means that she has relatively little bargaining power since she is not contributing to household income. Alternatively, her lack of wage income reflects her high level of bargaining power within the household.

The labor market in developing countries remains highly segregated (Elson 1996). There are number of cultural, historical and economic factors responsible for occupational segregation which assume the role for man as bread-winner and woman as house wife. Women workers are employed in narrower range of occupations because horizontal segregation of occupations exist in majority of the developing countries, while vertical segregation also exist and tended to increase (Eapen 2004).
4.7 Women’s Work in Informal Economy

The existence of informal sector in developing countries is significant from the perspectives of income/employment enhancing potential. Its role in the generation of employment, efficient utilization of scarce resources and the expansion of non-agricultural employment opportunities to the urban poor is much important. Informal sector activities generate employment opportunities that enable the subsistence income families to meet their basic needs, and increase their well-being, even though poorly paid. Participants of the informal sector are worse off than those of the formal sector regarding their working conditions and because of the exclusion from any social benefit and security. On the political aspect informal sector activities are encouraged as a way to promote political patronage.

The labor force employed in informal sector is vulnerable to exploitation on two fronts:

1. From the labor stand point there is unprotected employment.
2. The informal sector is extremely competitive sector. People working in this sector have to face cut throat competition such as petty traders, rickshaw drivers and unskilled construction workers.

In informal sector labor force employed has to face perfectly competitive market situation as sellers with the monopsonistic market situation in some instances on the buyer side as is the case of sub-contracting relations between the piece rate workers (many) and their contractors.
The informal sector consists of small scale units engaged in the production and distribution of goods and services outside institutionalized economic structure that includes micro enterprises, cottage and small scale industries. Generally women are engaged in informal sector micro enterprises and cottage industries. Employment creation and income generation are the primary objectives. Units working in informal sector employ capital and infrastructure and have poor management skill. Their access to skill training and credit is minimal (Karim 2004).

The women who are working in the informal sector come at lowest end of the spectrum. They are uneducated, work as low status workers, having lack of capital for investment and mostly live below poverty line. Generally these women are ill-informed about the market and mostly depend upon contractors and middle-man having no legal protection. The women in this sector are mostly engaged in home-based enterprises like piece rate workers, family businesses, domestic workers, self-employed entrepreneurs and causal workers. These women usually take up such jobs because they are unable to get alternate employment. There are strong rigid cultural constraints which restrict women’s mobility, and handicap them for having employment outside the home for remuneration. The decision of a woman to enter the labor market is determined by social roles and status of the family (Fafchamp 2003). Gender roles are demarcated in the manner that women are expected to be responsible for reproduction and render service within the home while men are responsible to fulfill the financial needs of their families. That is why women are engaged in home-based paid-activities where the contractor supply raw material at home and collect the finished goods. In this way, the work at home not only saves them from disgrace (put
on them by their family members due to work) but also provides them, options to work at their own timings simultaneously carrying out the domestic workload.

The women in the informal sector are subjected to exploitation in different forms. They work under poor working conditions marked by long hard hours of work in hot and humid weather having no access to water and sanitation, employed in lowest paying and most hazardous occupations, for example, domestic service, waste picking, brick breaking and piece rate home work (Amin 2002).

Strenuous work has severe consequences on physical and mental health of women. A large number of them suffer from malnutrition which lowers their resistance and makes them more vulnerable to disease. Women work in ill ventilated tiny rooms which serve as the work place. Working environment is not favorable and poses serious threat to the health of the women. Mostly they suffer from respiratory infections, eye irritation, back pain, joints pain, tiredness, headache, piles, allergy and asthma. These women have economic dependence on middle men for whom they work but the so-called employer carried no responsibility of the worker. The relationship between the employers and employee is ambiguous and indefinite.

4.8 Continuums of Informal Sector

We start with contrasts that formal and informal sectors have. The table 4.1 delineates the basic differences between two sectors.
Table 4.1 Characteristics of Formal and Informal Sector Enterprises

<table>
<thead>
<tr>
<th>CHARACTERISTICS</th>
<th>FORMAL SECTOR</th>
<th>INFORMAL SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry Barriers</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Technology</td>
<td>Capital Intensive</td>
<td>Labor Intensive</td>
</tr>
<tr>
<td>Management</td>
<td>Bureaucratic</td>
<td>Family-based</td>
</tr>
<tr>
<td>Capital</td>
<td>Abundant</td>
<td>Scarce</td>
</tr>
<tr>
<td>Work Hours</td>
<td>Regular</td>
<td>Irregular</td>
</tr>
<tr>
<td>Wage Labor</td>
<td>Normal</td>
<td>Limited</td>
</tr>
<tr>
<td>Inventories</td>
<td>Large</td>
<td>Small</td>
</tr>
<tr>
<td>Prices</td>
<td>Usually Fixed</td>
<td>Often Negotiable</td>
</tr>
<tr>
<td>Financial Services</td>
<td>Banks</td>
<td>Personal, Informal</td>
</tr>
<tr>
<td>Fixed Costs</td>
<td>Large</td>
<td>Negligible</td>
</tr>
<tr>
<td>Customer Relations</td>
<td>Impersonal</td>
<td>Personal</td>
</tr>
<tr>
<td>Government Subsidy</td>
<td>Often Large</td>
<td>None</td>
</tr>
<tr>
<td>Markets</td>
<td>Often Export</td>
<td>Rarely Export</td>
</tr>
</tbody>
</table>

Informal sector is a heterogeneous phenomenon that encompasses many economic activities that are usually overlooked in economic statistics: all sorts of manufacturing activities, construction, trade and commerce, repair and other services, etc. Economic activities in the informal sector are carried out by businesses which are typically:

- Operated in small, family-based units which are established, owned and operated by one, or few individuals
- Started and maintained with little capital and are unable to gain access to formal credit mechanisms
- Producers of low-quality but relatively cheap goods and services
- Very labor-intensive and not very efficient, with often sporadic operations; are ill-equipped and have little infrastructure
- Operating in highly competitive environments, with uncontrolled and easy entry
- Ignored or tolerated by the government; occasionally, however, they are harassed by the state
- Limited from offering better-quality goods and services because of the conditions noted here as well as from the workers’ lack of knowledge and skill

At the same time, informal sector economic activities of women are obviously quite diverse. A list of some of those most often encountered in Pakistan brings out this variety.

- Making household peripherals like bed sheets, lamps and rugs
- Making food and kitchen items like pots, pans
- Selling fruits, vegetables and other food products

These activities attempt to cover most of the needs of clients in the informal sector. At the same time there are many different skills and competencies necessary to provide these activities. Many of the skills necessary to produce many of the products and services above can no doubt be learned in formal schooling. However, most of the skills listed can be acquired more or less rapidly through on-the-job training.

Variations in informal sector activities can be usefully portrayed along a series of continua portrayed below. The individual firms situate themselves along these continua and obviously have an impact on the incomes, mode of employment and training of employees.
4.8.1 Rural and Urban

Objections have sometimes been raised to the continuing portrayal of the informal sector as primarily an urban or peri-urban phenomenon which is conceptually separate from informal agricultural and non-agricultural activities in rural areas. Few development projects conceive of rural and urban activities within the same, single economy. But urban informal sector workers often share the same household with rural workers, reflecting the artificial division of the economy that researchers and policy makers have created, as well as their lack of understanding of the multiple economics roles that individuals play in either urban or rural settings.

The justification for this division, in practical terms, is that the urban informal sector is generally more accessible to researchers and thus more yields more complete data.

4.8.2 Subsistence Versus Entrepreneurial

In an attempt to take the focus away from survival activities, some researchers prefer to describe the informal economy in terms of what it is not. While some workers are driven by desperate needs to provide subsistence means for their families, the
informal sector should not be defined only as survival activities of destitute people on the fringes of society. Many informal entrepreneurs have relatively high incomes, and thus the argument can be made that the same concept is useful to describe situations as diverse as those of a street vendor and a software consultant.

4.8.3 Economic Sector (Primary, Secondary, Tertiary)

The production domain of the informal sector in activities such as making household goods, clothing, foods, etc. The service domain is characterized by the rendering of services such as cleaning houses and doing laundry, running small restaurants and taverns, selling manufactured and hand-made goods in the marketplace, providing alternative schooling, etc.

4.8.4 Traditional Versus Modern

Some researchers’ descriptions of the sector imply that the informal sector is, by definition, not modern. It is important to remember that informal sector enterprises accomplish many of the same functions as formal sector, i.e. modern enterprises, only on a smaller scale. In facts, informal sector activities can be seen as virtually indispensable to the functioning of the modern economy, as they include the consumption, distribution and maintenance of goods produced in the formal sector. Some individual informal sector enterprises may be considered traditional, it is different to characterize the whole sector as non-modern. It is also important to remember that much of the informal sector has arisen in response to the needs of modern economies.
4.8.5 Gender Composition

Women are playing a limited role in the informal sector although their potential contribution, especially through further development of micro enterprises, is considerable. It has been asserted that although women are more likely to be found in the informal rather than the formal sector; they are more likely to be found at the lower and less profitable levels of the informal sector. There were few productive or craft activities in either the formal or informal sectors that girls could enter, and that most women were likely to get stuck in service occupations such as embroidery, street-selling, agricultural labor, cotton-picking, and food transformation.

Women’s participation in informal sector while substantial and growing, still appears to be limited, as women are unable to enter some trades because of the usual restrictions of informal sector participants (limited markets, lack of credit, poor quality equipment and materials, etc.) as well as the limitations often found in the form of legal rights of women. When women entrepreneurs seek credit to move from the informal to the formal economy, they are beset by the usual lack of assets for collateral and complex regulations, with the additional burden of sometimes having to obtain their husband’s authorization before being granted credit.

There is also the common social prejudice about traditional roles and domestic and child-care obligations. There is an obvious need for more research that documents how women are coping with the juggling act of balancing household responsibilities and economic activities in the informal sector.

7 A clear link between domestic obligations and labor market behavior is, for example, a high proportion of women than men leave their jobs for personal or household considerations. Approximately 6 percent of women, compared to only 2.6 percent of men, leave because of personal health problems or illness in the family. Men almost never leave job because of illness in the family (Sicherman 1996).
There are, however, an increasing number of women who are succeeding with small enterprises, especially those who are associated with the women’s organizations that have sprung up throughout the country. These organizations are playing a major role in providing opportunities for learning and group activities, not only in the traditional areas of intervention, such as literacy training, credit, and mutual economic activities, but also in new areas including training for new agricultural or production techniques, family planning, environmental conservation, and support groups, etc.

The educated Women have a wider choice of occupations, but they still seem to be concentrated in traditional female trades, such as tailoring, food transformation and hair-dressing. The sector is less egalitarian than might be presumed, as women tend to work in the least profitable activities, and men tend to monopolize the sector’s most profitable jobs, perhaps because they have better access to education, capital, transportation and trading contrasts.

In addition, women tend to be less mobile, and many work only in home-base businesses. In general, women’s opportunities in the informal sector are limited by their lack of education, legal restrictions, large numbers of pregnancies and children, and substantial responsibilities for agricultural production and home maintenance.

4.8.6 Individual Versus Collective: Growth of the Non-formal Sector

A distinction is made in sector development between small businesses that are started by individual trades people or entrepreneurs and those businesses which are founded with the explicit intention and/ or financial and technical support of donor agencies
and non-governmental organizations (NGOs). Many businesses today benefit from the support of both small and large organizations or NGOs, and that not unlike the distinction make between formal and non-formal education, the economics activities of these new businesses fall somewhere between informal sector activities and formal businesses, and could be thus considered as part of a phenomena contributing a non-formal sector.

4.8.7 Licit Versus Illicit

Legal status is considered an important component of the definition, and from this point of view, it is obvious that most informal sector activities are found outside the formal, regulated sphere for the purposes of avoiding taxation or other regulation; some informal activities are no doubt illicit as well. While the untaxed and unregulated dimension of the informal sector is certainly relevant to our inquiries, this legalistic approach might lead us to a narrow focus of research that misses the considerable diversity of the sector.

4.8.8 Controversies about the Informal Sector

Given its diversity, apparent magnitude and poorly-documented nature, the informal sector has also quite naturally been the subject of very animated debate among development planners and researchers. Several of the themes of this ongoing debate provide further relevant background to the consideration of productivity, employment security and legal needs among its members.

i) Informal Sector’s Role in Development: Many development organization and researchers have emphasized the informal sector’s role as a creator of jobs and an
incubator of small and medium-sized enterprises, seen this way, the sector acts as a safety net, or sponge, which absorbs the shock of periodic economic expansion and contraction by socking up excess labor and providing additional income for those whose real incomes have eroded by inflation and cuts in public spending.

Current development thinking includes micro enterprise development as a major tool in reducing party. Promoting these very small businesses is considered an effective method of helping the poor in developing countries to increase their income. But there are concerns with the promotion of the informal sector as a development strategy. While the informal sector creates many jobs, these jobs are often of such poor quality that many micro-enterprise workers would be bitter off as employees in medium and large companies. Another concern about promoting the informal sector is that although micro-enterprise support programs do raise income for the poor, only those individuals who are at or near the poverty line are positioned to benefit from them. Some researchers say that programs that promote micro-enterprise are unlikely to benefit the very poor and that the poorest of the poor might actually be ill-served by credit programs that create debt among those who can least afford it.

**ii) Relation to the State:** Implicit in this debate is a lack of agreement about the relationship of the state to the informal sector (what it is and what it should be). Some researcher believe that governments have deliberately ignored the informal sector for the benefit of elite interests represented primarily in the formal sector; others suggest a sort of benign-neglect, whereby governments’ endeavors to participated in the development and improvement of the informal sector have been limited due to insufficient resources. In either case, it is evident that the level and quality of state
support (moral, financial and logistical) has serious ramifications for the future treatment of the informal sector, including programs for education and training. Despite reluctance, unwillingness or inability, of the state to fully acknowledge or attempt to address these issues, it is clear that the informal sector cannot be considered as marginal to, or separate from, the formal sector in planning for national development and growth. In the context of the Third World, informal sector is not really about minority groups, anomalies or exceptional cases but rather touches on the fundamental problems of development, employment and poverty.

More governments seem to be interested in promoting basic education and technical training for the informal sector. This new emphasis on promoting nonformal education and training for informal sector participants is even more relevant to countries whose formal sector growth has remained sluggish.

**iii) Transitory Phenomenon or Long-term Player:** Although the widespread evolution of unregulated, informal modes of production of goods and services began to attract attention over two decades ago, it is only recently that serious efforts have been made to understand the foundation of the informal sector, reasons for its continued importance and its potential for the future. Previously the informal sector was viewed as a transitory phenomenon that would disappear in the course of economic and political modernization. The view that the informal sector would gradually disappear in conjunction with a move towards a liberal market economy and democratic political system has often justified its neglect but national governments and donor agencies in terms of provision of social services, including education and training.
Contrary to this earlier opinion, evidence from recent years demonstrates that the informal sector is certainly not transitory, but rather, at an early stage in its transition or evolution. According to FBS (2003) 64.6 percent of Pakistan’s labor force is involved in informal sector activities. One should keep in mind, furthermore, that many of these statistics are likely to be underestimates; the unregulated and unreported nature of the informal sector poses inherent difficulties to measurement. Measures are also dependent upon which activities and units of production are included: if one considers family farms, cottage industries and casual workers, part-time as well as full-time workers, etc. The informal sector appears to encompass as much as 60 percent of the economically active population.

Accepting the fact that the informal sector is, and will continue to be, one of great importance in the economic development, the question remains as to the kind of assistance, financing, provision of health facilities, family planning, education and training which is useful in providing individuals with the competencies necessary to success in it.

**iv) Most Critical Needs: Credit or Training:** Although majority of the researchers have focused largely on better training and education to prepare individuals for sustainable informal economy activities, there are other possible interventions to consider. This has often led to a debate as to the most effective intervention from the many factors that are not directly related to education and

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8 The informal sector employment in sub-Saharan Africa stood at 60 percent of the urban labor force, and in Ghana 32 percent of urban employment.

9 The new definition of women labor force participation by Federal Bureau of Statistics (Pakistan) has increased the female labor force participation rate from 14.4 percent to 52.8 percent.
training, including low cost credit, new and improved technologies, and a whole host of factors linked to what could be considered an enabling environment for micro-enterprise.

It is important to consider, however an approach that seeks to identify the specific needs of the specific target group in the specific context. The development of an enabling environment, for example, might be seen as creating the context for the successful implementation of a package of interventions. As informal sector actors often face a working environment which is strongly disabling, these packages of interventions will be successful only to the extent that it resonates directly with innovations and initiatives from within the informal economy itself. In this way, interventions by the state or NGOs ay be seen as formal sector support for and valuing of a direction and initiative that has already been taken by the informal sector.

This new enabling environment is emblematic of positive changes that have occurred over the past several years in the delivery of financial services to poor and low income people in development countries. Let us look for a moment at the impact of credit programs for micro entrepreneurs. The question arises as to why financial institutions in most developing countries do not reach low-income clients, and there are basically two sets of constraints. The first constraints are mainly institutional: the financial sectors of most developing countries are marked by shallowness and fragmentation and centered on providing service for the import and export trades. There are also usually strict government controls on deposit and lending rates. They are also constrained by the high cost of small transactions that typically involve
micro-enterprises: moreover, few financial institutions in developing countries are interested in entering these new markets, perhaps due to a lack of competition.

A second set of constraints to low-income people is the characteristics of the potential lenders that make them difficult to serve. Micro-entrepreneur borrows typically:

- Have no banking history
- Live in areas remote from banking centers
- Have little in the way of assets other than their reputations
- Are illiterate, and inexperienced with the banking operations
- Need small loans for short periods and on an almost immediate basis (as investment opportunities come and go quickly for this group)
- Make small deposits and frequent withdrawals of savings, adding to bank costs.

In sum, low-income people working in the informal sector are difficult clients to sever, particularly for large banks in developing countries. In recent years, however, small, microfinance institutions have sprung up in various parts of the developing world to deliver credit and savings services to poor people. Example includes the Grameen Bank in Bangladesh and the FINCA (Foundation for International Community Assistance) banks in Latin American. Successful microfinance institutions have achieved high levels of outreach, and many have also moved beyond dependence on donor subsidies to full financial sustainability. While the impact of microfinance program are often questioned, the limited research suggests that clients of these programs generally do better financially after participation, and many women
participants realize many social benefits such as enjoying better health, feeling less marginalized, having more opportunities for improving their children’s education, etc.

In addition, many microfinance institutions seem to prefer women clients as studies have shown that loans to poor women in developing countries improve the welfare of their families, and the women are good clients, paying back their loans on time. In any event, informal sector intervention strategies would do well to consider programs that seek to create an enabling environment by combining interventions such as credit and training, targeting the needs of individual in specific contexts.
CHAPTER 5

METHODOLOGY AND DATA COLLECTION

In this chapter we are going to present the objectives of the study, development of questionnaire, sample design, methodology and model, and collection of data. The concepts and definitions are presented in section 4.2. Selection of variables is done in section 4.6 and model application is discussed in section 4.7. In the last section (4.8), limitations of the study are narrated.

5.1 Data and Analysis

Different researchers have used different models to analyze the labor force participation of women and their productivity. The ordinary least square regression model offers a universal framework for empirical analysis. It is no more than a simplified approximation to something else that would presumably be better, but it does serve, within its limits for empirical screening of the evidence. OLS technique belong to the realm of causal relations, as opposed to statistical association, there is a clear prior symmetry between the ordinary named independent variables, the regression or covariates, which are the explanatory variables or determinants and the dependent variable or outcomes. In the presents study, the model has been applied to analyze the experimental data, where the direction of causation is not in doubt at least.
In our analysis, selection of the model is based on the criterion that our dependent variable is a continuous variable. Although there are discrete variables among the independent variables, or the regressors of a regressed equation. They have been dealt with the introduction of dummy variables (0,1), but our dependent variable being a continuous variable made an appropriate justification of apply OLS. The probit and logit models which are frequently used presently in research belong to the class of probability models that determine discrete probabilities over a limited number of possible outcomes. They are the natural complement of ordinary linear regression, where the regressed is not a continuous variable, but a state which may or may not hold. We have adopted the OLS model as our dependent variable is a continuous variable. Mehrotra and Biggeri (2002) have applied the ordinary least square model to determine the productivity of women engaged in home-based work in India and Pakistan. The productivity has been measured in terms of income earned by female workers in home-based industry. For Pakistan the dependent variable taken is the income per hour of work but for India income per month has been taken as dependent variable. The productivity of women measured in terms of income earned from home-based activity is related to various factors like demographic characteristics, level of education, years of experience, health conditions and the membership of an organization to pursue joint action. Natural logarithms were used to transform and linearise the functional relationship which has reduced the overall variability of the data and thus the heteroskedasticity at the cross section level. The functional form utilized was a constrained Cobb Douglas production function.
Irfan (1983) has applied Ordinary Least Square model to estimate the determinants of female labor force participation in economic activities. The dependent variable was the work status of female, which was dichotomous (0, 1). The independent variables were the age of the women, education, child care facilities, husband’s education, occupation of the husband, husband’s employment status, household income, ownership of land, migration status of the head of the household and village modernization. The working females were categorized by the mode of employment. With the help of multivariate regression, the influence of socio economic factor on participation of self-employment was estimated.

Lokshin (2000) has applied probit model to estimate the factors determining the work status of mothers in Kenya. The mothers work status was the dependent binary variable. The explanatory variables were divided into two categories such as household characteristics and mother’s characteristics. The characteristics were comprised of mother’s wage, other household member’s wage, average expenditure on child care, quality adjusted cost of care, average wage per locality, total household size, number of children, number of adult males in the household, share of adult female in the household and the share of elderly persons in the household.

La Ferrara (2000) has also applied ordinary least square model to estimate the determinants of hourly earnings of a group of people (self-help groups) in the informal settlement of Nairobi. Through multivariate analysis the researcher has investigated that how individual and aggregate characteristics of groups (formed by women) effect the hourly earnings. The dependent variable was the hourly earning from group. The independent variables were the age of the group members, the
marital status, education and experience (proxied by the number of years, the respondent has been in the group), language and ethnicity. Further the determinants of dependency ratio were also estimated through multivariate analysis by applying OLS model. The dependent variable was the ratio of an individual’s income earned in the group over total individual income, expressed in percentage. The purpose was to know that, to what extent people are dependent on these groups as their main source of income.

Sultana, et. al. (1994) have applied selectivity corrected Ordinary Least Square Model as well as Tobit Model to estimate the market time allocation of women participating in labor force in rural Pakistan. The data used was the survey data by International Food Program Research Institute (IFPRI). The dependent variable was a binary variable representing, whether woman works or not. OLS and Tobit estimates both gave the same results and the same level of significance. The independent variables were women’s age, education, annual per capita household income, number of dependents, and male and female wages as independent variables.

Azid (2001) has also applied OLS model to estimate the female labor force participation in cottage industry. The dependent variable was a continuous variable that was, total number of hours supplied by the female workers for embroidery per week. The independent variables were worker characteristics, family characteristics, household characteristics and social characteristics. Workers characteristics were age, income and education of the respondent. Family characteristics are poverty status, number of children, number of male adults, gender of head of household, family structures, and income of the head of household. Social characteristics included
distance from work place and purdah. According to our knowledge no study still exists exploring the contribution of women in household income.

We have estimated contribution of women in household income through a series of OLS models. In the first regression, the contribution of a woman is regressed against the individual characteristics of the woman \( (X_1 \ldots X_n) \) where \( X_1 \ldots X_n \) are the woman’s characteristics like, age, education, health, marital status, kind of employment, woman as head of household, and ownership of assets by the woman, etc. In the second regression, the contribution of is regressed against the household characteristics \( (X_1 \ldots X_n) \) where \( X_1 \ldots X_n \) are the household characteristics like, husband’s age, husband’s education, husband’s employment status, husband’s kind of employment, income of head of household, household size, structure of the household (whether household is nuclear or combined), number of infants, number of adult males in the household, number of adult females in the household, household income, household per-capital income, loan availed by the household and locality of the household\(^1\). In the third and fourth regression to make a comparative analysis of urban and rural, the woman’s contribution is regressed against both individual and household characteristics for segregated data for urban and rural areas separately. The general function is as:

\[
WCHB = f(X_1 \ldots X_n) \ldots \ldots \ldots \ldots \ldots (1)
\]

\(^1\) The community characteristics are also important for determining the woman’s contribution: that may be presence of working women’ association in the community, community-based child-care centers (Eapen 2004), dowry-related customs and crimes (Eapen and Kodoth 2002), inheritance of property rights, collective bargaining through women organizations, presence of micro-finance organizations in the community, provision of public utilities like electricity and gas in the community, presence of technical/vocational and skill development institutions, and occupational segregation. These variables are out of scope of the present study.
Where WCHB is the woman’s contribution in household budget, and $X_1, \ldots, X_n$ are the exogenous socio-economic variables influencing her contribution. The definitions of dependent and exploring variables are shown in table-5.2.

<table>
<thead>
<tr>
<th>variables</th>
<th>definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variables</strong></td>
<td></td>
</tr>
<tr>
<td>WCHB</td>
<td>• Woman contribution in household income</td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
</tr>
<tr>
<td>WAGE [Woman age]</td>
<td>• Woman age in completed years</td>
</tr>
<tr>
<td>WAGESQ [Woman age squared]</td>
<td>• Woman age squared</td>
</tr>
<tr>
<td>WLIT [Woman’s literacy status] (^2)</td>
<td>• 1 if woman is literate, 0 otherwise</td>
</tr>
<tr>
<td>WEDU [Woman’ education]</td>
<td>• Number of completed years of education</td>
</tr>
<tr>
<td>WMAR [Woman’ marital status]</td>
<td>• 1 if the woman is married, 0 otherwise</td>
</tr>
<tr>
<td>WSEMP [Woman’s self-employment]</td>
<td>• 1 if the woman is self-employed, 0 otherwise</td>
</tr>
<tr>
<td>WHEAD [Woman as head of household]</td>
<td>• 1 if the woman is head of household, 0 otherwise</td>
</tr>
<tr>
<td>WASST [Woman assets]</td>
<td>• 1 if the woman owns assets, 0 otherwise</td>
</tr>
<tr>
<td>WHEAL [Woman’ health status]</td>
<td>• 1 if the woman is healthy(^3), 0 otherwise</td>
</tr>
<tr>
<td>HAGE [Husband age]</td>
<td>• Husband age in completed years</td>
</tr>
<tr>
<td>HLIT [Husband literacy status]</td>
<td>• 1 if the husband is literate, 0 otherwise</td>
</tr>
<tr>
<td>HEDU [Husband education]</td>
<td>• Number of completed years of education</td>
</tr>
<tr>
<td>HEMP [Husband’s employment status]</td>
<td>• 1 if husband is employed, 0 otherwise</td>
</tr>
<tr>
<td>HSEMP [Husband’s self-employment]</td>
<td>• 1 if the husband is self-employed, 0 otherwise</td>
</tr>
<tr>
<td>HHSIZ [Household size]</td>
<td>• Total number of family members</td>
</tr>
</tbody>
</table>

\(^2\) The official definition of literacy in Pakistan is “one who can read a newspaper and write a simple letter”. Though the literacy so defined cannot be accepted “functional literacy” that is what an individual needs to function in a society which is becoming increasingly complex, we have included the official definition of literacy in the model due to the fact that working women in informal sector are poorly literate.

\(^3\) Suffering no symptoms of cough/cold/fever, weak eyesight, back pain, pain in joints, skin problem, respiratory diseases, leukria, exhaustion and watering eyes.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>YHEAD</td>
<td>Income of head of household (Head of household income per month in Rupees)</td>
</tr>
<tr>
<td>HHNUC</td>
<td>Nuclear household (1 if household is nuclear, 0 otherwise)</td>
</tr>
<tr>
<td>CHILD</td>
<td>Number of children (Number of children (5-15 years) in the household)</td>
</tr>
<tr>
<td>IFANT</td>
<td>Number of infants (Number of infants (up to 5 years) in the household)</td>
</tr>
<tr>
<td>ADLM</td>
<td>Number of adult males (Number of adult males in households)</td>
</tr>
<tr>
<td>ADLF</td>
<td>Number of adult females (Number of adult females in the household)</td>
</tr>
<tr>
<td>HHASST</td>
<td>Household’s ownership of assets (1 if the household has ownership of assets, 0 otherwise)</td>
</tr>
<tr>
<td>HHY</td>
<td>Household Income (Household income per month in Rupees)</td>
</tr>
<tr>
<td>HHPCY</td>
<td>Per-capita income of household (Household’s per capita income in Rupees per month)</td>
</tr>
<tr>
<td>HHLOAN</td>
<td>Household’s availability of loan (1 if the household availed loan, 0 otherwise)</td>
</tr>
<tr>
<td>HHLOC</td>
<td>Locality of household (1 if household is urban, 0 otherwise)</td>
</tr>
</tbody>
</table>

After collecting data information were organized and put in computer. The Ordinary Least Square model was applied to obtain the econometric results, with the help of SPSS. The t-test was applied to test the significance of result. Moreover to make the comparison of urban and rural areas, the data was segregated for each area and same function and technique was again applied.

### 5.2 Concepts and Definitions

Some concepts and definitions, which are used in methodology and model are explained as:

#### 5.2.1 Economic Activity

The measurement of labor supply specifically of women in developing countries is quantified by inadequate concepts. In the measurement of economic activity the

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4 Loan utilization include loaning from formal and informal financing modes.
segregation of consumption and production is impossible (Irfan 1983). Household economic activities may merge with domestic work and may distort the border line between economic and non-economic activities. That is why researchers have devised their own definition for the purpose of study, for example, Ramachandran, et. al. (2001) assumed a person worker, if she or he is a hired manual worker, a salaried employee or self-employed at any income-bearing activity, irrespective of the number of days that she or he has worked in the reference year. National Sample Survey Organization (NSSO) of India has evolved the definition of work overtime. NSSO began to include non-market agricultural activity in its definition of work in 1977. It also collected information on an extended list of activities that include domestic work. In 1991 the census (India) expanded its definition of work to include unpaid work on the farm or family enterprise.

In our study economic activity has been defined as employment for wages, self-employment, home-based work, piece work, own-account work, and work in household business/enterprise/farm, micro-enterprise which results into income of woman in the form of cash or kind.

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5 This is a narrow definition of work, here work refers to work at hired labor, salaried employment and self-employment other than at tasks within a person’s own household. While all work by women, whether paid or unpaid, whether for domestic consumption or for the market, should be measured and valued. Work for domestic consumption alone has analytically to be distinguished from work that gains woman outside income, as the two have different implications for the socio-economic status of women and for their emancipation.

6 If all the activities of women would have been taken in the model for the allocation of time, the activities would be paid-employed, unpaid-employed (household enterprise), self-employed, home-care activity, and/or combination of some or all of these. But we are concerned with only economic activity of women.
5.2.2 Household

Household is defined as a group of people who had usually slept in the same dwelling and had taken their meals together. People who had been away from the household for the purpose of employment were also considered household members. The persons identified as students and seasonal workers had been part of the household, in other words a household means a group of people living together who have collective arrangements for eating. A person living alone was also considered to constitute household. The distinguishing feature of a household is its common cooking arrangements.

5.2.3 Unpaid Family Helpers

A person working on an enterprise without any profit or pay is called an unpaid family helper. The enterprise may be operated by his/her members of the household or other related persons (see also, FBS 2003). The all unpaid family helpers have been excluded from the study because they do not contribute in family budget in monetary terms.

5.2.4 Employment

All those persons who remained employed at least for one month during the reference period (on the date of the interview) and were either paid-employed or self-employed have been taken as employed. The persons employed on regular basis, who have not work for any reason at the time of interview has been also taken as employed (FBS 2003). The same definition in this study has been taken for employment. Some studies (see for instance, Pangestu and Hendytio 1997) have defined the working women as
women who are working for other people or legal entities and are compensated in financial terms or payments in kind. They have ignored the self-employed and women involved in family enterprises. In Pakistan, specifically in informal sector and rural areas, a number of women are involved in these two kinds of employment. So we have considered those women as labor force participating women.

5.2.5 Literacy Status

FBS (2003) has defined a person to be literate who could read and write in any language with understanding. We have adopted the same definition.

5.2.6 Urban and Rural Area

Urban areas are defined as the areas with in the boundaries of municipal committees and rural areas are out side the boundaries of municipal and town committees. Informal work is a phenomenon to be found in both urban and rural areas. So a small number of clusters were selected for survey in urban and rural areas both.

5.2.7 Head of Household

Head of household means the representation of the family who has power to supervise its members and is the main bread-earner of the household. Usually one of the parents is head of the household, but one of the grand parents may act as the head of household in combined family system or in the case of missing of parents. If the parents or grandparents are not the members of the household then the eldest person in the household acts as head of the household and makes decision of the household. Sometimes parents or grandparents are the members of the household but due to old
age they are unable to head their families. In that case the headship is shifted to eldest person.

5.2.8 Household Income

Household income which is one of the economic determinants of contribution of a woman is household income, is defined as income of the household excluded female’s income. This avoids the possible endogeneity since household income, net of female income is unlikely to be endogenous in an equation that explains the contribution of female in household income. This reflects the assumption that contribution depends on non-female income of the household.

5.2.9 Income of woman and Head of Household

Income of woman and head of household (as well household income) is taken in rupees per month. If the income is in the form of kind which usually takes place in rural areas, it is converted into cash at the market price. If the income is seasonal or annual it is also converted into monthly income.

5.2.10 Informal Sector

Federal Bureau of Statistics has adopted the definition given by the 15th International Conference of Labor Statisticians (ICLS), in which informal sector is comprised by household enterprises with the primary objective of generating income and employment to the persons concerned. These activities remain out of the legislative and administrative provision, but the intention may not be to avoid the payment of
taxes (FBS 2003). The informal sector in Pakistan has been defined for statistical purpose as follows:

1) All household enterprises operated by own account workers irrespective of the size of the enterprise. The informality of these own account enterprises is not due to the purpose of avoid taxes.
2) Household enterprises owned and operated by employers with less than 10 persons are engaged.
3) All household enterprises engaged in agricultural or in non-market production are excluded.

In this study the definition of informal sector adopted by FBS has been applied except with the modification that all agricultural activities in which the women are paid in monetary terms have been included.

Bahawalpur is well recognized for its embroidered clothes and dyeing of clothes. In each next door of old city women can be seen, engaged in the work of embroidery. In early morning a number of young girls and women can be seen on roads in the form of groups going on their duty to work as housemaid. Women vendors can be seen sitting on street corners, selling their products in small baskets and sometimes in small shops in their homes. These women sell vegetables, fish, fruit, eggs, household goods, processed and semi processed food, children's clothes, toys, bangles, embroidered goods and women clothing in small shops. Another self-employed activity which recently has developed is beauty parlors which can be seen in each subsequent street of the Mohallah (colony). The all mentioned above activities are
informal sector activities. It is perceived through observation that these women workers are very poor. They rarely have assets or working capital. All they have are the knowledge and skills of their traditional occupation and their own hard labor.

5.3 The Classification of Informal Sector by Labor Categories

Woman labor market may be classified into different categories by the mode of employment.

5.3.1 Employer

An employer is defined as a person who operates his or her own enterprise for profits and dividends and hires one or more employees in such enterprise (see also, Amin 2002). Some informal sector enterprises hire labourer but their proportion is very small.

5.3.2 Self-Employed

Self-employed women are those who work as piece rate workers in their homes which may be called a sub-contracted work. Self-employed is a person who operates his own business, or industry or practices a profession but does not employ any hired help paid in cash or kind.

(Amin 2002) has defined the term self-employed in informal sector as those people who own their own business and are the sole workers of their enterprises. They do not

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7 We will discuss in section 6.9, how much women labor force in informal sector is involved in self-employed jobs.
hire laborer and use services of unpaid family members. Qualified technicians and professionals are excluded. Self-employed category include home-based workers like weavers, potters, garment makers, processors of various types of agricultural produce and crafts women, manual labor and service providers like agricultural laborers, construction workers, contract laborers, and domestic workers.

(ILO 1995) has defined the self-employed women as those, who do not get direct orders from buyers. There is a chain of subcontractors who receive commission and the share of women income earned remains very small. These self-employed women usually lack access to inputs and services such as credit, input supply, markets, new technology and training.

5.3.3 Own Account Workers

An own account worker is defined as a person who operates enterprises or businesses jointly or with others as partnership but without engaging any employees (Amin 2002). The greater proportion of women engaged in informal sector activities are own account workers.

5.3.4 Pieceworkers

In piecework, middlemen or shopkeepers, supply raw materials to the producers, latter collect the finished products and pay the producers on a piece-rate basis. Piecework is wage employment and the person is paid at contracted rates. The middleman is the source of capital, information, and access to markets.
5.3.5 Home-Based Workers

The ILO Convention on Homework (1996) has defined home-based work as work carried out by a person in his or her home or in other premises of his or her own choice, other than the workplace of the employer, for remuneration, which results in a product or service as specified by the employer, irrespective of who provides the equipment, material or other inputs used. In Bahawalpur it’s a common practice that women work at their homes the job of embroidery and the clients (individuals and as well as contractors/middlemen) contact them at their homes. The rates are usually competitive, determined through bargaining, because there are a number of women who are engaged in the work of embroidery and the product is homogenous. So we can call it a perfectly competitive market. Home-based work provides employment and opportunity to the laborer to increase and diversify their income. It saves travel time of workers. Women workers can gain specific skills in producing goods at home.

5.3.6 Micro Enterprises

The concept of micro enterprise is associated with the informal sector in developing countries. It is described as a sole trader, partnership or family business with one or two employees having limited investment. They are usually operated by the owner. Micro enterprises are home based, service oriented operations which supplement the household income (see also, Rehman 1997).

In developing countries family owned micro-enterprises are engaged in both manufacturing and trade. Usually the entire family is engaged. Women produce the whole product while men buy the raw material and sell the finished products. It includes embroidery-products, cotton clothes, processed food and dyeing of clothes.
The all women coming under the definition of own account workers, micro enterprises, home-based workers, and piece workers have been termed as self-employed in our study.

5.3.7 Employee/Hired Labor/Wage-Worker

Employees include all women working outside the home as domestic servants, causal laborers in construction industry and in agriculture sector on monthly or daily payment in cash or kind. An employee or wage worker is a person who works for a pay in an enterprise owned by an employer (see also, Amin 2002).

5.3.8 Domestic Servants

Domestic services have emerged as a significant source of employment for women in big cities of Pakistan. These women usually work part-time in three or four houses at one or more of the following chores: washing dishes, washing clothes, cooking cleaning and sweeping. In this study the domestic servants called housemaids have been treated as employees.

5.3.9 Hard Labor Work

The wage earners are defined as wage and salary-earners working as regular employees or casual laborers. Some wage-earning women work in brick kilns and in road construction industry in cities. In rural areas women work as hired laborers for weeding, sowing seed, digging root vegetables, vegetable picking and cotton picking. Women working as construction workers are seasonal migrants, who belong to landless families. These women workers often provide their own tools and middle man (a kind of sub-contractor) usually hire them for unskilled and difficult job e.g. brick
breaking, stone spreading and road making. These women have been treated as employees in this study.

5.4 Development of Questionnaire

The pretest was tried to design the structure of the questionnaire. In the pretest 80 households were surveyed. On the basis of pretest the all possible aspects regarding the contribution of women in family income were covered. The questionnaire was divided into five sections regarding social information as well as economic and non-economic activities of individual and household (see Annexure A). However for the analysis the information from the questionnaire have been divided into two broader categories.

i) Individual Characteristics: This section covered basic information about the individuals in household. Data on age, marital status, educational status of working woman, and occupation of working woman has been collected from each household. It also includes monthly income of the woman, daily working hours of woman, participation of woman in decision making (whether the woman participate in decision-making of children’s schooling and marriage and purchase of household items or not), mobility of woman (whether the woman may go to local market, health center unescorted or not), fertility behavior of woman (number of infants, children and prime-age children of woman), health status of woman (whether the woman is suffering from common diseases like cough/cold/fever/, weak eyesight, back pain and pain in joints or not), access to health facility (whether the woman is treated by government

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8 The marital status of woman has been divided into the status of single, married and widowed/separated.
hospital, private doctor, *hakeem*, homeopath and *peer* or no treatment), working experience of woman, kind of employment (whether the woman is self-employed or not), headship of the household by woman (whether the woman is head of household or not) and ownership of assets by woman.

ii) Household Characteristics: It includes the husband’s age, education, employment status, kind of employment (whether the husband is self-employed or any other kind of employment), work status of head of household (whether the head of household is working or not), employment status of the head of household, reason of unemployment of head of household, income of head of household, household size, structure of the household (whether the household has nuclear or combined family structure), number of children (5-15) years in the household, number of infants, number of adult males and number of adult females, ownership of assets by the household, household income, household per-capita income, loan availed by the household, locality of the household, and housing condition; 9.

### 5.5 Sample Design and Data Collection

The official data of female participation in economic activities is much lower than the casual observations. Evidence from micro-level studies has indicated that the participation of women in economic activities, particularly in urban informal labor

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9 Housing conditions refer to the condition whether the house is *kacha* or *pacca*, the number of rooms in the household, whether the household is electrified or not, and whether the household has separate bathroom and kitchen or not.
market has significantly increased (Bilquees 1989; Sathar 1998). The authenticity and quality of official data is subject to some degree of skepticism due to biases based on social values\textsuperscript{10}. Generally head of the household is interviewed to obtain information for data. The head of the household provides information on the activity rates of the other household members including females. Under reporting of female activities is much likely to occur due to social norms where female participation in economic activities is considered not a respectful phenomenon. We have collected the data by personal contact with female interviewers. Being a female the maximum accurate results were obtained in a relaxed environment having friendly conversation with female workers.

Sathar and Kazi (2000) have estimated the participation rates of women in different regions of Punjab. They found a marked difference in economic participation of women in central and southern Punjab. In southern Punjab, 15.3 percent women participated in paid-work outside the home while 29.9 percent of women worked inside the home for remuneration while in central Punjab only 14.6 percent worked outside the home and 16.5 worked inside the home for remuneration. The economic participation of women in Southern Punjab is 50 percent above than the women’s participation in central Punjab. The explanation may be the low income profile of Southern Punjab and prevalence of informal sector. Bahawalpur stands representative of Southern Punjab. The pattern of social life in Bahawalpur is derived from the ideology of dependency and inferiority of the female. The early-age arranged marriages, physical and social segregation and restrictions on the movement of

\textsuperscript{10} The official data on women’ labor force have also some other serious problems and underestimations, inconsistencies, and biases. Some are based on projections rather than actual figures, others have known biases, and many are extrapolated from partial information (Behrman and Rosenzweig 1994; Srinivasan 1994; Chanie 1994). Even the reliability and compatibility of the gender-disaggregated tables produced by UNDP or the World Bank are questioned (see Srinivasan 1994).
women are the main features of the area. Bahawalpur is among the most deprived
district. The deprivation index calculated by Jamal et. al. (2003) is 64.14 in terms of
education, health, housing quality, housing services and employment indices.

To calculate the women’s contribution in family income we have designed a
representative sample. It was consisted of Bahawalpur city and rural areas of tehsil
Bahawalpur. The sample was further divided into clusters.

Previous literature survey revealed that informal sector activities are generally
clustered. They tend to be clustered in a specific location on the basis of the type of
goods being produced. A cluster is constituted by many small manufacturing
enterprises producing the same type of product in a specific geographical location.
Clustering is natural strategy to reduce transaction costs. Intermediaries and
employers aim to reduce the transaction costs in the distribution of input or raw
material, the output collection and the contract enforcement. As the cluster develops,
small and medium enterprises also develop. Equipment sharing and specialization
improve the skill and productivity of the labor force. A cluster is created by the
agglomeration of traditional artisan activities in a specific sector and location or by
the presences of a large enterprise that subcontracts part of production stages to
smaller enterprises. Local demand, traditional skills, network and sometimes foreign
demand become key elements to form a cluster. These small enterprises at household
level compete and also cooperate with each other. The potential of converting home
workers into subcontractors, and subcontractors into entrepreneurs exist (see also,
Mehthora and Biggeri 2002). Sometimes traditional skills, local demand and
institutions make the basis of cluster.
The sample of the study has been divided into following clusters. The urban clusters consist of Bindra, Jhangiwala, Hamatian, Basti Maluk Shah, Kot Nora, and Kuhna Kachahry while rural clusters are Abass Nagar, Chak No.38/BC, Chak No.13A/BC and Chak No.23/BC.

In the clusters of Kohna Kachehry (inner areas of city Bahawalpur) there are a number of shops concerned with the business of embroidery. They have contracts with big cities such as Lahore, Islamabad and Karachi. We can call it a whole sale business. These subcontractors provide raw material to the home-based workers, that is cloth and thread and then collect finished products. Sub-contractors and whole sellers have a constant contact with home-based workers spread over years. The home-based workers and contractors are usually relatives or neighbors. Work relations are based on mutual trust. Home-based workers have a full command over their skill and are able to do a refined work. The home-based workers are at the one end of spectrum and the retailers are at the other end, and between them there exists three to four intermediaries. That is why, a commodity that cost Rs.1000 to a consumer pays the home-based worker only Rs.100-200.

Abbas Nagar is situated on Hasilpur road nearly 25 kilometers away from Bahawalpur city. A number of informal sector units related with dying of cloths exist and larger number of women workers get job on daily payment basis. Chak No.38/BC is also situated on Hasilpur road near Lal Suhanara National Park about 35 kilometers away from Bahawalpur city. It’s a well developed village as compared with other villages of Bahawalpur district. Most of the population has migrated from west India at the
time of partition of subcontinent. Chak No.23/BC and 13A/BC are situated on Yazman road nearly 20 and 14 kilometers away from Bahawalpur city respectively. In this cluster home-based work is again prevalent. Raw material is supplied to women workers once a week. In the next week finished products are brought and fresh raw material is collected. Finished products brought by the workers are subject to check for its quality and quantity. A record is maintained in a register for finished products and for the calculation of wages and other benefits. In this process of transaction middle men and employers were found, used to scold women in the name of quality checking.

From the cluster 1780 such households were surveyed which have at least one woman engaged in informal sector activity. The official socio-economic profile of the sample clusters represents the existence of characteristics of informal sector in the area. The official socio-economic profile is shown in table-5.1.

<table>
<thead>
<tr>
<th>LOCALITIES</th>
<th>LITERACY RATIO</th>
<th>AVERAGE HOUSEHOLD SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahawalpur district (urban)</td>
<td>57.0</td>
<td>6.8</td>
</tr>
<tr>
<td>Bahawalpur district (rural)</td>
<td>26.3</td>
<td>6.7</td>
</tr>
<tr>
<td>Bahawalpur Municipal Corporation</td>
<td>58.5</td>
<td>6.8</td>
</tr>
<tr>
<td>Bindra</td>
<td>23.8</td>
<td>7.3</td>
</tr>
<tr>
<td>Jhangiwalal</td>
<td>30.9</td>
<td>6.1</td>
</tr>
<tr>
<td>Hamatian</td>
<td>32.9</td>
<td>6.7</td>
</tr>
<tr>
<td>Abbas Nagar</td>
<td>21.6</td>
<td>7.0</td>
</tr>
<tr>
<td>Chack No.38/BC</td>
<td>30.7</td>
<td>6.6</td>
</tr>
</tbody>
</table>
5.6 **Mode of survey**

Data was collected by interviewing the female workers in their homes having a door to door contact with them or at the site of their work. Information was collected with the help of a questionnaire which was consisted of multiple choice and open ended questions. The women were interviewed in Urdu, Punjabi, and as well as in Siraiki language. The observations were recorded at the spot.

5.7 **Variables**

5.7.1 **Dependent Variable**

**Contribution of Women in Household Budget**

Contribution of woman in household income has been taken as dependent variable. It is defined as percentage ratio of income earned by a woman to total household income.

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11 The use of wage rate and working hours as continuous variable is conventional in the literature to proxy for employment status and contribution of income in the household (see for instance Azid et. al. 2001 and Hartog and Theevwes 1986 who have used working hours). As the wage rate or working hours in the informal sector is much fluctuated and it is difficult to obtain the information in the survey due to preconceptions of the individual, so we have taken the ratio of the monthly income to household income as contribution of women in household income.

12 Doss (1996) concluded that income controlled by the woman is spent differently as compared with income controlled by men. We have assumed that income earned by a woman in informal sector activities becomes part of the household budget.
5.7.2 Explanatory Variables

(i) Age of the Woman

In developing countries women enter the labor market at a very early age due to financial pressure of large families in low-income strata. A number of studies have proved that the decision of work participation of women is correlated with age composition (Sathar and Desai 1996; Azid 2001; Fafchamp 2003). In the present study the sample is comprised by all women engaged in economic activity in the age group of 16-60 years. We have ignored the female labor force participation below the age of 16, though the girls in such age group also contribute in household income but we assume them child laborers. A continuous variable capturing the effects of age on contribution of women in household income has been added in the model. To see whether the relationship between age of the woman and his contribution is linear or non-linear, we have also taken the age squared as the independent variable.

(ii) Education and Health Status of the Women

The importance of education in determining the productivity of labor cannot be ignored (Alderman 1996). Fafchamps and Quisumbing (1999) have investigated the effects of years of schooling measured in terms of test scores on rural labor market outcomes in Pakistan and found it positive. To find out the effect of woman’s education on her contribution in family income, two variables regarding her education has been taken, i.e. a binary variable representing the literacy status of a woman (whether the woman is literate or illiterate), and a continuous variable representing the number of years of education of the woman.
To capture the effect of health status of woman on her contribution in household income, a binary variable has been included in the model. In the survey, question was asked whether she had some health problem or not. The intensity of the disease was not considered.

(iii) Marital Status of the Woman

A number of studies both in developed and developing countries have emphasized the marital status of the women in determining their decision to enter the labor market for earning (Blau and Khan 2005; Sen 2000; Glick and Shan 2005; Fafchamp 2003). The idiom of marriage of a woman provides her access to social mobility and relatively more authority, which directs her preferences and ultimately her decision to earn (see, Escrich, et. al. 2004). Another priority is that a married woman belonging to low income group intends more to engage in labor market, due to financial constraints imposed by large household size. A binary variable representing the marital status of the woman has been included in the model to know the effects of marital status on the contribution of women in household income.

(iv) Kind of Employment of Women

To work as employee is considered undignified and the work as an employee is associated with the loss of social status. The self employed women mostly work within household enterprises. Working for income within the respectable confines of homes is more acceptable than engaging in remunerative work outside the home. In the perspective of woman’s income and ultimately their contribution in household budget, it is assumed that employees earn more. To analyze whether the self-employed women in informal labor market are contributing more in their household
budget or the employees, we have included a binary variable regarding the kind of employment of the women.

Self-employment makes an individual to exercise a wide range of choices, the freedom to choose the type of work, hours of work, work environment, and the people they work with. Women usually opt for self-employment due to the flexibility that self-employment offers in terms of location (close to home, working in homes) to which paid jobs could not cater. The choice between paid-work and self-employment depends upon the dominant personal goals that women have chosen and the structural factors that are women’s qualification, work experience, socio-economic status of the family, availability of finances, and suitability of location.

The incomes of employee and self-employed individuals are different in nature. The earnings of the self-employed are not only more volatile but business-owners have more earning opportunities than employees. The status of self-employment is clearly related with assets. The assets are not commonly owned by the working women involved in informal labor market. Majority of the women are involved in services sector of unskilled labor. On the other hand, one of the reasons for their involvement in unskilled labor force may be the lack of assets that is basically due to deprivation of property inheritance right of women in Pakistani society. We have included a binary variable (whether the woman is employee or self-employed) in our analysis to see the effect of kind of employment of woman on her contribution in household budget.
(v) Female as Head of the Household

A person, who is acknowledged as head of the family by other members of the family is assumed as head of household. A more desirable definition of head of household is as the person who bears the chief responsibility of economic maintenance of the household\(^\text{13}\). The head of household is the person, who provides most of the needs of the household and is familiar with all the activities and occupations of the household. A household has been designated as female-headed in the case of even married women, if the male spouse is absent (widowed, divorcees, abandoned women), or is present but contribute nothing or marginally to the economic maintenance of the household due to old age, addiction, sickness or nature of job. In case of unmarried women usually father acts as head of household and if father is dead, it has been supposed that the mother would be the head of the household\(^\text{14}\). If mother is unable to do the task then elder son would take the charge of the head of household. In our study we have taken a dummy variable, i.e. whether the household is headed by male or female person of the household. We intend to see the effect of gender of head of household on contribution of woman in household income.

(v) Assets Owned by Women

The ownership of assets by women makes differences in social attitudes towards women. Generally women’ property rights in patrilineal society are organized around marriage, in a range of practices as dowry, exchange of gifts and obligations at child birth. The ownership of assets by a woman, in other words ability of women to hold rights of property and the income generated from property, determines her bargaining

\(^\text{13}\) Abadian (1996) reported that sometimes woman does not act as head of the family, even when woman is the sole source of economic support in the household.

\(^\text{14}\) Fafchamps (2003) opined that if female heads the household, she has an incentive to work hard.
power and status within the household. It affects the decision-making authority of a
women and the expenditures pattern of household. To capture the effects of assets
owned by women on contribution of women in household income, a binary variable
has been included in the model, i.e. whether the woman owns some assets or not.

(vii) Husband’s Age

The life-cycle employment pattern of men differs than women. Majority of the men in
their prime-age and specifically before their marriage are employed. In Pakistani
culture the employment of men before marriage is considered obligatory so that after
marriage he can afford the household expenditures. Along this it is also taken under
consideration that age of the groom should be more than the bridegroom at the time of
marriage. Sometime, specifically in the families where family members are employed
in informal sector the age of husband remains ten years more than the wife.
Ultimately the men reach the age of retirement before their wives. So wives have to
support the household budget. Age of the husband is expected to affect the
contribution of women in another way. Market productivity (wages) vary over the life
cycle. In prime age, males work for full working time. Market productivity starts at
low in the young adult years, arises rapidly with age, then tails off and even falls in
the later years. It makes important to include the husband’s age as an explanatory
variable to explain the contribution of women in household budget.

(viii) Education of the Husband

The education levels of husband may effect women’s decision to enter the labor
market and earn income. According to the human capital theory, the role of education
is to augment individual’s productivity. Education enhances individuals’ lifetime
earnings. To capture the effects of education of the husband on contribution of a woman, two variables representing education of the husband, i.e. as continuous variable; the number of years of schooling, and as binary variable; whether the husband is literate or illiterate have included in the model.

(ix) Employment Status of Husband

Employment status of the husband affects the decision of a woman to enter the labor market in two ways. When one spouse lose his or her job due to recession the net effect on over all participation rate depends on the size of the added worker affect and the discouraged worker affect. According to added worker effect, when the primary bread winner loses his or her job, other family members temporarily enter the labor force in the hope of finding employment to off set the decline in family’s income. The rationale involved here is that the income earned by one spouse in the family is treated as non labor income from the point of view of the other spouse and non employed family members receive an intra household transfer of some portion of the income of employed spouse. The loss of job of one spouse will decrease transfer of non labor income and will cause one to become a labor force participant (Lundberg, 1985; Spletzer 1997). Employment status of husband as a binary variable; whether the husband is employed or not, has been included in the model to find out its effect on contribution of woman in household income.

(x) Kind of Employment of Husband

Mode of employment of the husband affects a women’s decision to work, because it determines the status of the housewife in the overall stratification of society. Hisrich (1986) concluded that self-employed males tend to be older than the employees, more
likely to be married, and more experienced. They tend to work more hours per week than employees which results into higher earnings. Mode of employment of the husband has been divided into two categories, i.e. self-employed and employees. A dummy variable has been included in the model to capture the effect of the mode of employment of the husband on contribution of women.

(xi) Household Size

One of the characteristics of informal labor market workers is that they have large family size. On the other hand these households largely depend upon women and children income. Household size is assumed to affect the labor force participation decision of women as well as their contribution in household income. We have included the household size as a continuous variable, i.e. number of household members.

(xii) Income of Head of Household

Head of household is the individual who is member of the household and who decides the activities of the household members. The head of household is also assumed responsible for the financial responsibilities of the household. Income level of the head of household affects the working decision of a woman and consequently her contribution in the household.

(xiii) Structure of the Family

The structure of the family whether nuclear or joint family system has a great importance in determining the allocation of time devoted to earning activities by
females (Sathar and Desai 1996; Azid 2001). Child bearing and rearing is considered the basic function of a woman which requires time for child care. The time required for child care is considered a constraint in female labour force participation. In a joint family system, the presence of adult household members other than the mother especially non-working member may substitute for the mother, as child care provides when she works. More the older age members in the household, greater the probability of a women to enter the labour market (Lockshine 2000). Research in developing countries indicated that other then mother, females in the household act as provider of child care releasing mother for work (Pitt and Rosenweig 1990; Wong and Levine 1992; Tiefenthaler 1997) which is possible in a joint family system. But the other side picture is that a woman living in a joint family system lives under certain constraints and not allowed to work out side the home, while in a nuclear family system a woman can exercise a certain degree of control and authority in household decision making. To find out the effects of the structure of the family on contribution to family income, a binary variable representing joint or nuclear family system has been included in the model.

(xiv) Demographic Structure of the Household

Demographic structure of the household comprised of the variables, number of school-age children in the household, number of infants in the household, number of adult male members of the household and number of adult female members of the household. Demographic structure of the household has a strong relationship with the decision of a woman to enter the labor market and her contribution in household income (Azid, et. al. 2001 for labor force participation). Empirical evidences have shown that woman with more children are less inclined to go out for work, since the time she spends for work will be time foregone with her children. That is why
majority of women workers allocate the greater part of their time to non economic activities within the household (Kottis 1990). On the other hand, child rearing has a cost and a mother may have to do paid work more with every additional child to maintain the family income. Many studies have found a negative relationship between the number of children and a woman's labor supply, that is, woman with more children on average goes out to work less than women with fewer children. The time needed for childcare may lead to raise the opportunity cost of economic activity and negative substitution effect appears, but this may be off set by an income effect due to the expenditures involved in child rearing. The pattern of substitution and income effect and their net outcome varies with the number and age structure of the children in the household.

The variable of number of children has been divided into two categories, i.e. infant (number of children below the age of 5 years) and school-age children (number of children in the age group of 5-15 years). In Pakistan children go out for work in very early age in low-income strata. So contribution of women in household income is affected differently by the presence of school-age children and infants in the household.

The number of adult earning members in the family (both male and females) also affects the decision of a woman to enter the labour market and her contribution in household income. The overall economic position of the household increases by employment of the adult member of the household. Women are discriminated in the labor market. Because of such discrimination, assuming all other things (such as education, job training and labor market experience) equal, males obtain employment
and earn more income than the females. The principle of comparative advantage led males to devote much of their time to market work while females stay within homes, engaged in non-market work. To know the effect of other earning members on contribution of women in family income we have included in the model two continuous variables, i.e. number of male adult member of the household and number of female adult members in the household.

(xv) Ownership of Assets by the Household

The value of total household assets such as land, houses, business assets and livestock represent wealth status of the household and work as determinant of a household’s economic position in society. To capture the effect of assets of the household on contribution of women in household income a binary variable representing, whether the household owns some assets or not, has been included in the econometric analysis.

(xvi) Household Income

The aspirations of a woman belonging to the household whose members are involved in informal sector activities depend upon the financial status of household, along with income of the head of household. The financial status is measured by the income of the household. The household income may be of two kinds, i.e. earned income and non-earned income. Earned income comes from the wages and incomes of the members of the household who are employed while non-earned income from the household assets or by transfer payment. It is possible that if head of household is unemployed or have lower earned-income but the household has some financial or real assets and household’s economic status is higher the women of the household
will not be sent for paid-employment and their contribution will remain low. So along
with income of the head of household, the total income of the household has been
added to the explanatory variable.

The household income in the communities where members are involved in informal
labor market remains below subsistence level. Decrease in income increases the
supply of household labor and increase in income reduces it. To maintain the
consumption requirement of the family, cultural rigidities disappear and give way to
the woman to enter the labor market where the question of survival arise (Azid 2001).
In the last decade poverty in Pakistan has increased due to Structural Adjustment
Program by government, the income share of the lowest quintile has declined and
income share of the highest quintile has increased (Jamal 2003). Labor force survey
2003 depicted a larger increase in female labor force participation, one of the reasons
of this was male unemployment rate and reduction in incomes of the household.

(xvii) Financing to the Household

Informally employed households have little access to financial products and services
that may help them to bridge gap when times are tough. Without life and health
insurance, disease and illness go untreated and the death of an income-earner is a
dramatic hardship for a family. Without access to loans or credit, the small business
enterprises cannot buy products in bulk and self-employed women cannot buy
machinery, etc.

The rural poor have traditionally been lacking access to institutional credit, because of
their credit needs, which are not cost effective from the point of lending institutions.
Due to geographical dispersal, administrative costs are also high. Market fluctuations in traditional agriculture have an inherent lender risk. Informal costs like that of traveling, application fee, timely delivery credit, formal restriction on loan usage, restricted micro-credit functions necessitate micro-credit to be subsidies. As a result, demand for low interest subsidized credit increases which restrict the government’s ability to match demands. It is not easy for the rural poor to have easy access to the credit from the formal financial institutions in Pakistan. Remoteness of village, illiteracy, and lack of information, corruption and host of such other factors has inhibited the poor from accessing credit to change their lives. The households which became successful in attracting micro-finance, they involve their household labor force including women and children in household enterprises. We have included the variable of availability of micro-finance to household to see whether the women in these households are contributing in household income, larger to those who have not availed the facility of micro-credit.

(xviii) Location of the Household

Information on the location of the household has also been collected. A dummy variable has been included differentiating between rural and urban communities. The contribution of women of two locations differ due to the existence of differences existing in socio-economic factors, values, norms and myths of rural and urban areas. These differences are the base for separate analysis of rural and urban areas by a number of researchers. For instance, Skoufias (1993) worked on home time allocation of women in rural households in south Asia. Fafchamps (2003; 1999) and Sultana (1994) worked on the determinants of female time allocation in selected districts of
rural Pakistan. Kazi and Sathar (1993) have done on the effects of informal work on
fertility and child schooling in urban Pakistan.

5.8 Limitations of the Study

Like all other research studies the present study has also limitations but it open doors
for further research. We face the problem that respondents have shown hesitation, non
co-operation and conscious in revealing certain sensitive and crucial information of
their income and working hours, about the contractors and about their participation in
decision-making within the household. How ever respondents were persuaded and
motivated in such a way that they come out with reliable responses. In some cases the
respondent did not tell the income correctly then it was corrected by estimation. Some
women working in the agricultural sector disclosed their income in terms of kind it
was converted into cash at market prices. The agriculture market prices fluctuate with
season and market place.

There are some other socio-economic variables that may be categorized into
community characteristics and may affect the contribution of women in household
budget. They are excluded in the present study due to time constraint. These variables
are open for further research. They may be presence of working women’ associations
in the community, community-based child-care centers, provision of technical
education/skill, the availability of public utilities like electricity, gas, etc. in the cluster
of working women.

The result may not be generalized at the national level as typology of work by women
in informal sector varies geographically. The survey and analysis is needed at the
national level for policy formation for the better income and enhanced productivity of the working women in informal sector.
CHAPTER 6

QUALITATIVE ESTIMATES OF
WORKING WOMEN

In this chapter the qualitative estimates of the working women in informal sector are discussed. The socio-economic profile of the households from which these women are coming, the empowerment of these women, their housing conditions, fertility behavior, health status are estimated. Furthermore, the typology of work of women, working hours, and work experience are also analyzed because all these variables are related with their contribution in household budget. The contribution of women with respect their age, experience, working hours, marital status, educational level, and profession-wise has also been estimated.

6.1 Qualitative Estimates for Working Women

Though the main objective of the study is to analyze the contribution of women in household income by econometric model, the qualitative results are also compiled to support the subject. Our survey results have shown that women’s earnings were essential for the survival of their family, 96 percent of the income earned was used to meet household expenditures and the remaining 4 percent was used to retire debt which was taken in past to meet household expenditures. The women were living in worse off conditions and overburdened by practicing double duty. They were engaged
in paid-work simultaneously doing the regular household chores and child-care, having little time for themselves.

In the informal sector, piece rates were very low but women were much anxious to do work, because other work options did not exist and their work was essential to save them from starving. All women accepted the religiously mandated superior position of males and gave conservative explanation of religion. Furthermore, 60 percent of working women complained about the oppressive behavior of their husbands and 20 percent of the women complained of physical beating by husbands. Their conception was that defiance to their roles and norm would be punished through social disapproval and conformity to those norms would be rewarded by social acceptance. They believe that it was their obligation to obey their husbands and other male members of the family. If they defy them, they would commit sin. It was concluded that community culture and believes had been internalized in a way that it would be impossible to break the vicious circle of subordination and it would never be viable for women to challenge the male authority in the perception of narrow version of religious and cultural norms.

In urban area the families with working women were living in highly polluted atmosphere having not adequate social and infra structure facilities, houses were tiny and ill ventilated. Poor work conditions increased health risk and respondents reported diseases such as weak eyesight, joints pain, limbs and back pain, watering eyes, allergies, exhaustion and leucorrhoea, and respiratory diseases. The provision of basic public utilities was not proper. Piles of garbage were found sporadically in the cluster. There was no arrangement of waste disposal.
Bonded labor was found in the profession of brick-making. Adult males took the loan and their women and children pay off by giving a part of their daily wages. The indebtedness went on increasing. Women and children were verbally abused by the workers of contractors at frequent. When the reasons for getting into work were analyzed, it was found that these women had entered into labor market not in-pursuit of career, but financial necessity had compelled them to take up the paid work in the lower-income occupations. Sudden deterioration in their economic circumstances, like death of husband or bread-winner, divorce, separation and illness of the husbands had been major cause for their working. It is found that 40 percent of the respondents were working and earning to spend it on the education of their children, 10 percent of the women were retaining their income for their daughter’s dowry, only 2 percent of the responses were doing the work to earn money for spending on them, 15 percent of the women were using their earnings for the payment of tuition fee of their children. In most cases husbands were unemployed, disabled or addicted and women work was the only source of income. The daily requirements of the family were met by earnings of female work. They saved nothing and the work only secure meager living. It was a supplement to household.

The occupation of the male family members varied from household to household, 60 percent of the male family members were self-employed (petty business), 20 percent were laborers working on wage, 12 percent were agriculturalists and the others were in government or private services. The wage earners were in jobs of lower cadre. These families fall in the lower income group of occupations.
Majority of the women who were involved in the production sector of informal economy, were well aware of the value of their product. They knew that the product was sold on much higher prices by the middle men than what they were paid as wages. They knew the fact that their products were in great demand in big cities such as Karachi, Lahore and Islamabad. But they were not in a position to demand higher wages because they were afraid of losing their work, which was keeping them away from starvation. Further women were aware of their handicaps as illiterate and they want that their daughters must not enter in their own professions which were ill-paid and require hard manual work.

These women usually did not save much out of their income and those who save do it through committees (the home grown method of saving). Most of the women had the idea that due to their paid-work lot of positive change had occurred in their families.

In the rural areas, the culture depends on cast dominance. The caste system is deep-rooted, which makes the social fabric of rural community entirely different as compared to it urban counterpart. The dominance of high caste over the lower caste becomes exploitative and oppressive and permeates every part of life. The upper castes populace is comprised by land lords and traders, having power and wealth, while the lower castes consists upon large number of landless laborers, weavers, potters, leather workers, and craft people, who are economically weak. They live in separate communities, conscious of their own status relative to others. Female’s working differs with respect to castes, social class and ethnic origin. The women of upper class rural land-owners enjoy high status and do not enter the labor market, while the labor class women, having low castes such as kammees (lower working
class) are supposed to move freely outside their homes and have no hesitation to work for remuneration.

In rural areas the most work is seasonal irregular and sporadic. During the period of harvesting and planting, woman workers are busy from dawn to dusk but go without work for rest of the year. Usually crafts supplement their incomes in such months. It is a source to supplement their needs for cash. Cash income is hard to come in rural areas, yet it is vital for the survival of their families.

The infrastructure facilities in rural areas are very poor usually the poor own their homes, which are kacha (made of mud) having heavy wear and tear, and require regular maintenance. The amenities like electricity, running water, or toilet are hard to obtain. Although government has provided the facility of electricity to villages but inhabitation is scattered on tibbas (traditional scattered settlements in Bahawalpur) so the electric light has become difficult to obtain. As a result the number of hours a family can be productive is low.

6.2 Socio-economic Profile of Households

Qualitative analysis is based upon simple mathematical calculations. It is estimated that 78 percent of the households to which working women belong, were living below poverty line. Furthermore, 42 percent males of working-age in the households were found unemployed because of their illness, addiction and having illegal status and 40 percent of the male-heads of households did not work and the pressure went to women to do paid work specifically from the husbands. It is observed that male member remains unemployed for a long period of time due to illness or addiction and
sometimes they are not willing to work if they feel it is not praiseworthy for them. But
women behave differently. They are quick to step into almost any kind of economic
activity to feed the family. The working women were residing in large households
with a mean household size of 7.5.

In the overall areas 12.2 percent of the households are female-headed households.
Social security measures for widows and deserted women are rare. In urban slums, the
incidence of abandoning their families is more common, in hard circumstances men
flee to any unknown place leaving the woman to feed her and the family. As a result
the woman is the hardest hit and most vulnerable. These are the families, who need
more support but are deprived of any government schemes for poverty alleviation and
development both in rural and urban areas due to their un-recognition in official
statistics. At local level government maintain data list of widows for distribution of
zakat. But its implication is limited, and there is a need to widen its domain, which
will cover the absentee head households.

**Table-6.1 Socio Economic Profile of Households of Working Women in Informal Labor Market**

<table>
<thead>
<tr>
<th>SOCIO-ECONOMIC PROFILE</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean monthly income of respondent</td>
<td>Rs.1950</td>
<td>Rs.930</td>
<td>Rs.1560</td>
</tr>
<tr>
<td>Mean monthly household income</td>
<td>Rs.4225</td>
<td>Rs.3560</td>
<td>Rs.3750</td>
</tr>
<tr>
<td>Mean household size</td>
<td>7.5 Persons</td>
<td>7.7 Persons</td>
<td>7.6 Percent</td>
</tr>
<tr>
<td>Head of household do not working</td>
<td>40 Percent</td>
<td>32 Percent</td>
<td>38 Percent</td>
</tr>
<tr>
<td>Unemployed male adults due to illness, addiction and illegal status</td>
<td>42 Percent</td>
<td>35 Percent</td>
<td>37 Percent</td>
</tr>
<tr>
<td>Average number of daily hours worked by women</td>
<td>7.2 Hours</td>
<td>6.7 Hours</td>
<td>7 Hours</td>
</tr>
<tr>
<td>Households living below poverty line</td>
<td>78 Percent</td>
<td>87 Percent</td>
<td>82 Percent</td>
</tr>
<tr>
<td>Female-headed Households</td>
<td>13.5 Percent</td>
<td>9.3 Percent</td>
<td>12.1 Percent</td>
</tr>
</tbody>
</table>
6.3 Empowerment of Women

Women’s empowerment is directly connected to self perception of women which is based upon norms prevailing in the society and the construction of roles as women. In our society men are generally regarded as the bread-winners and women as housewives without productive work. The pattern of social life is derived from the ideologies of dependence and the concept of social inferiority of women. Arranged marriages at early age, physical and social segregation and restrictions on women’s mobility are some specific features of our society.

There are number of evidences which have proved that women achieve some degree of empowerment when they enter paid-work. Generally to measure empowerment, decision-making powers, mobility, access and control over resources are taken as indicators. We have estimated the empowerment of women by taking the indicators of women’s decision-making regarding children’s schooling, marriages, household expenditures, other family matters (table-6.2) and control over the income earned by women (table-6.3). Marriage of children cause out as the indicator showing majority of working women have say in household but for other indicators, women have little say. As concerns the control over the earned income, it is evident that paid-work in informal sector gives limited empowerment to the women, as only 18 percent of the women spend their income independently, 38 percent give it to their head of household, (father, mother, husband, father-in-law or mother-in-law) and 44 percent spend collectively by head of household and working women.
Table-6.2 Participation in Decision-Making by Working Women (Percentage)

<table>
<thead>
<tr>
<th>PARTICIPATION IN DECISION-MAKING</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children schooling</td>
<td>32</td>
<td>25</td>
<td>27</td>
</tr>
<tr>
<td>Marriages of children</td>
<td>80</td>
<td>68</td>
<td>72</td>
</tr>
<tr>
<td>Purchase of household items</td>
<td>36</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>Other family issues</td>
<td>20</td>
<td>12</td>
<td>15</td>
</tr>
</tbody>
</table>

Table-6.3 Control over the Income Earned by Women (Percentage)

<table>
<thead>
<tr>
<th>CONTROL OF THE EAREND-INCOME OF WOMEN BY</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Herself</td>
<td>30.0</td>
<td>10.0</td>
<td>18.0</td>
</tr>
<tr>
<td>Head of Household</td>
<td>27.0</td>
<td>40.0</td>
<td>38.0</td>
</tr>
<tr>
<td>Collectively by Herself and Head of Household</td>
<td>43.0</td>
<td>50.0</td>
<td>44.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

6.4 Age and Marital Status of the Working Women

The average age at which the women working in informal sector started to work was 13 years, and at the time of survey they were working for an average of nine years. The respondents were mostly married women between the age of 19 and 50 years. These workers were located in low-income areas of Bahawalpur such as Jhangiwal, Bindra, AbbASNagar, Islami Colony, Tiba Badarsher and various katchi abadis etc.

Table-6.4 Age of the Working Women and their Marital Status (Percentage)

<table>
<thead>
<tr>
<th>AGE (YEARS)</th>
<th>SINGLE</th>
<th>MARRIED</th>
<th>WIDOWED/SEPARATED</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-20</td>
<td>33</td>
<td>60</td>
<td>7</td>
<td>100</td>
</tr>
</tbody>
</table>
The table-6.4 depicted that majority of the working women were married, 11.5 percent were heads of the household as they were widowed or separated.

6.5 Income Level of Household

The income of the household, to which the working women belong has shown dismissal situation. These women have been compelled by their economic circumstances to enter the labor market and support their growing families. It is also observed that women have higher incomes as compared to rural women. In urban areas 35 percent of the informally employed women were earning Rs.300-400 per month but for rural areas 28.5 percent were earning in the same range (see table-6.5).

<table>
<thead>
<tr>
<th>MONTHLY INCOME (RUPEES)</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1000</td>
<td>4.0</td>
<td>9.0</td>
<td>6.0</td>
</tr>
<tr>
<td>1001-2000</td>
<td>15.0</td>
<td>19.5</td>
<td>17.5</td>
</tr>
<tr>
<td>2001-3000</td>
<td>20.0</td>
<td>18.5</td>
<td>19.5</td>
</tr>
<tr>
<td>3001-4000</td>
<td>35.0</td>
<td>28.5</td>
<td>30.5</td>
</tr>
<tr>
<td>4001-5000</td>
<td>10.0</td>
<td>8.0</td>
<td>9.0</td>
</tr>
</tbody>
</table>
6.6 Educational Status of Working Women

The self-employed women in informal sector are unskilled, low paid because they tend to have lack of education and self confidence (Karim 2001). The table-6.6 depicts that most of the workers were not educated. Only 0.5 percent of the informal employed women were intermediate in urban areas and 0.3 percent in rural areas. Similarly 45 percent of the women are illiterate in urban areas and 5.5 percent in rural areas. There is larger lack of education in rural areas. As a whole, it represents the social norms of Pakistan’s society which hampers girl’s education and values women’s reproductive capacities much more than their productive ones. Moreover girls provide critical help to their mothers in household chores, which keep them outside the school. Poor families have less access to education because of low income level and large household sizes.

<table>
<thead>
<tr>
<th>EDUCATIONAL STATUS</th>
<th>RURAL</th>
<th>URBAN</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>55</td>
<td>45</td>
<td>52</td>
</tr>
<tr>
<td>Primary</td>
<td>22</td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td>Middle</td>
<td>6</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Matric</td>
<td>1</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>Intermediate</td>
<td>0.1</td>
<td>0.5</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Table-6.6 Educational Status of Working Women in Informal Labor Market (Percentage)
6.7 Housing Conditions of Working Women

An important reason behind the collection of the data about housing facilities was that most of the work in informal sector takes place at home. The nature of the house ownership and its type would reveal the social status of the family\(^1\). Majority of the houses do not have proper ventilation and the environment was found un-conducive for work. In informal sector, 78 percent of the women workers had their own houses, which were either owned by their husbands, or fathers, only 13 percent lived in rented houses. The remaining families were living in the houses which were given by the employees of the head of household, relatives or landlord. In urban areas a significant number of the houses were electrified, and have separate bathroom and kitchen but in rural area few families had these accessories. Sixty one percent of the households were living in two-room houses (table-6.7) in urban areas for which the average family size has been calculated 7.5 persons (see table-6.1). In the rural areas 40.61 percent of the households were living in one-room house (table-6.7) while their family size has been estimated at 7.7 persons. Similarly 9.5 percent of the families in urban areas and 40.56 percent in rural areas were living in *kacha* houses. The urban households have comparatively better living conditions.

<table>
<thead>
<tr>
<th>HOUSING CONDITIONS</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned Houses</td>
<td>69</td>
<td>83</td>
<td>78</td>
</tr>
<tr>
<td>Rented Houses</td>
<td>23</td>
<td>3.6</td>
<td>13</td>
</tr>
<tr>
<td>Kacha House</td>
<td>9.50</td>
<td>40.56</td>
<td>23.54</td>
</tr>
</tbody>
</table>

\(^1\) The Labor Protection Policy 2006 (Pakistan) also covers the area of living environment including improved housing, protection against adverse living conditions with regard to health and hygiene, sanitation, water supply and other matters affecting workers in their non-work life, but which clearly impact on their capacity and productivity at work (GOP 2006:18).
### Table 6.8 Number of Children of Working Women

<table>
<thead>
<tr>
<th>NUMBER OF CHILDREN</th>
<th>URBAN WOMEN</th>
<th>RURAL WOMEN</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>2.8</td>
<td>2.9</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>3.2</td>
<td>3.5</td>
</tr>
<tr>
<td>3</td>
<td>6.0</td>
<td>6.5</td>
<td>6.3</td>
</tr>
</tbody>
</table>
| 4                  | 17.9        | 19.5        | 18.0    

**6.8 Fertility Behavior of Working Women**

The average number of children per household was found high. Early marriages may be the reason of high number of children. Family planning was considered against Islam in these households. Reproductive behavior of working women was unlikely to be changed as a result of their paid employment. The negative relationship between household income and their fertility behavior was found.

For the women workers in informal sector, women’s autonomy remains unrelated to their reproductive behavior because a large numbers of children are required for their very survival in the perspective of social and cultural values, which appraise them according to their reproductive capabilities.
In the urban and rural areas the fertility behavior of informally employed women is almost same. In urban area, 28.5 percent women have 6 children while in rural areas 29.2 percent has the same number of children (table-6.8). It may be concluded that informally employed women’ fertility behavior is not different to working women as these women has a high fertility rate. One of the reasons may be illiteracy of these women. It may be postulated that employment status of women of lowest category is incapable to affect their fertility behavior.

### 6.9 Typology of Work

The typology of work varied with variation of locality. The women working in informal sector engaged in specific types of work have been living in their respective areas that seem to be cluster of that specific profession for a long time usually more than a decade. Many of them, who are younger, were born in the same locality. So the area having a specific type of work absorbs majority of the informal sector women in the specific work. For instance, the *makaish-making* was done in the inner and old areas of the city house-maids are mostly found living in city slums, brick-makers are settled in rural areas near city and food makers (*chapatti, samosa, berian* and pickles, etc.) are found in dense areas of the city.
Southern Punjab is well known for its embroidered clothes, block printing and dyeing of clothes, the specialty of women working in their homes. These women are not aware of the value of their products. They are grateful to the middle men of having monopoly of providing work and accept the price that they dictate. Our survey has exposed the fact that 30.2 percent urban and 21.2 percent rural women are engaged in garment making (embroidery, *silma sitara*, *resham ka kam*, *chunri*-making, *thappa*-making, *makaish*-making, stitching, sewing, crocheting, tie and dye, and *tarkashi*).

Reaching a bigger market with more purchasing power is a challenge for these women. The demands of urban markets dictate different vision, which rural women living in far flung areas having narrow exposure can not follow. With good publicity demand can be extremely high for embroidery products, having linkage with national and international markets. The existing style and pattern of embroidery, having local touch has not changed much over decades. There is a need to develop the embroidery industry according to the dynamic requirements of modern society and the challenging demands of urban market. Craft exhibition in larger cities and exhibition sales through museums, arts and crafts organizations at national and international level may be not only an excellent income generating activity but also make a path to penetrate in the markets.

<table>
<thead>
<tr>
<th>TYPES OF WORK</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embroidery/ <em>Silma Sitara/ Reshim Ka Kam</em></td>
<td>6.8</td>
<td>4.2</td>
<td>5.6</td>
</tr>
<tr>
<td><em>Chunri</em>-Making/ <em>Thappa</em>-Making/ <em>Makaish</em>-Making</td>
<td>8.9</td>
<td>3.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Stitching/ Sewing/ Crocheting/ Tie and <em>Dye suites/ Tarkashi</em></td>
<td>14.5</td>
<td>13.9</td>
<td>14.2</td>
</tr>
</tbody>
</table>
### Table: Occupational Distribution of Women

<table>
<thead>
<tr>
<th>Activity</th>
<th>% of Women</th>
<th>% of Men</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beauty Parlor</td>
<td>3.9</td>
<td>0.5</td>
<td>2.2</td>
</tr>
<tr>
<td><em>Dai</em></td>
<td>2.8</td>
<td>2.1</td>
<td>2.7</td>
</tr>
<tr>
<td><em>Chapati-making of Flour/ Samosa-making</em> / <em>Berian-making / Pickles-making</em></td>
<td>5.1</td>
<td>2.1</td>
<td>4.8</td>
</tr>
<tr>
<td>Brick-making</td>
<td>5.7</td>
<td>8.9</td>
<td>6.1</td>
</tr>
<tr>
<td>Shop Keeper</td>
<td>3.5</td>
<td>2.1</td>
<td>2.5</td>
</tr>
<tr>
<td>Door to Door Selling*</td>
<td>2.7</td>
<td>1.8</td>
<td>2.4</td>
</tr>
<tr>
<td>Street Women**</td>
<td>6.6</td>
<td>2.3</td>
<td>4.4</td>
</tr>
<tr>
<td>Breaking Bricks/Road making</td>
<td>7.3</td>
<td>3.9</td>
<td>5.1</td>
</tr>
<tr>
<td>House Maids***</td>
<td>15.9</td>
<td>8.9</td>
<td>12.8</td>
</tr>
<tr>
<td><em>Sex workers/Singers/Dancers/Street-singers-cum-baggers</em></td>
<td>1.1</td>
<td>0.1</td>
<td>0.8</td>
</tr>
<tr>
<td>Dairy farming/Sheep and Goat-farming</td>
<td>2.1</td>
<td>9.8</td>
<td>5.6</td>
</tr>
<tr>
<td>Poultry-farming</td>
<td>5.1</td>
<td>4.5</td>
<td>3.7</td>
</tr>
<tr>
<td>Pottery and <em>Cholay-Making</em></td>
<td>5.2</td>
<td>1.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Agricultural Labor****</td>
<td>3.6</td>
<td>29</td>
<td>15.8</td>
</tr>
<tr>
<td>Others</td>
<td>3.4</td>
<td>1.9</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

* Selling toys, artificial flowers, vegetables, utensils, bed sheets, clothes, embroidered rugs, etc.

** Collecting papers, tins, bottles, plastic, shoppers, etc.

*** The activity includes cloth washing, cleaning, dusting, dish-washing and cooking, baby sitting, pressing the clothes, etc.

**** It includes sowing, cotton picking, winnowing, crop cutting, etc.

***** Teaching at home (religious and formal education), match-makers, casual labor with undefined profession, etc.

The job absorbing highest ratio of the women is house-maid, for overall as well as urban and rural areas. The same job may be found prevalent in informal employment.
of other cities of Pakistan, like Karachi, Lahore, Islamabad, etc. The second job after that is absorbing 14.2 percent of overall women, 14.5 percent of urban women and 13.9 percent of rural women on Bahawalpur is related with garments, that is stitching, sewing, crocheting, tie and dye and *tarkashi*. It represents the dominance of cultural and traditional unstitched dresses of Bahawalpur in national and international market. If we add to this the other jobs related to garments specifically of ladies, i.e. embroidery, *silma sitata*, *resham ka kam*, *chunri*-making, *theppa*-making *makish*-making. One fourth of the women in overall areas, 21 percent in rural areas and 30.2 percent of urban ones are involved in dress-making. These jobs need specific measures for the promotion of income of households and trade within the country and other countries.

### 6.10 Health Status of Working Women

Women face life long higher mortality and morbidity than man because they lack access to good health and adequate nutrition. In the country, the girls under-five years of age are more under-nourished than boys due to their less access to food, health-care facilities, and lack of parental attention. Women working in the informal sector suffer health problems related with work. In agriculture the work is predominantly manual and mostly done by women, and in construction industry brick-breaking and spreading stones on road construction are the back-breaking labor, which require strong healthy body. But their bodies are weak due to overwork, inadequate food, and poor nutrition. The women workers work in day time high temperature of summer, which require more calories but enough food is not available. Their meager wages are not sufficient to purchase such nutritious food which their work requires. The working conditions of rag pickers are hazardous. They collect acid bottles, electrical wires,
glass, dirty papers, and cloth with their bare hands, exposed to innumerable health risks. Skin diseases and pain in their legs, back and their shoulders are common complaints. Even they work during illness, because the day without work is without food. General body aches, exhaustion, weak eyesight, joint pains were observed in most cases due to long working hours and little rest. It reduces the women’s capability both to work and take care of the children.

Table 6.10 Health Status of Working Women (Percentage)

<table>
<thead>
<tr>
<th>AILMENTS</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cough/Cold/Fever</td>
<td>27</td>
<td>30</td>
<td>29</td>
</tr>
<tr>
<td>Weak Eyesight</td>
<td>17</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Back Pain</td>
<td>25</td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td>Pain in Joints</td>
<td>10</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Skin Problems</td>
<td>18</td>
<td>16</td>
<td>17.5</td>
</tr>
<tr>
<td>Respiratory Diseases</td>
<td>1.6</td>
<td>2.8</td>
<td>2</td>
</tr>
<tr>
<td>Leucorrhea</td>
<td>1.5</td>
<td>2.5</td>
<td>2</td>
</tr>
<tr>
<td>Exertion</td>
<td>25</td>
<td>12</td>
<td>21</td>
</tr>
<tr>
<td>Watering Eyes</td>
<td>14</td>
<td>12</td>
<td>13.3</td>
</tr>
</tbody>
</table>

The health status of the women workers in informal sector is not only found unsatisfactory but access to medical facility is also found very poor.

Table 6.11 Access to Health Facilities by the Working Women (Percentage)

<table>
<thead>
<tr>
<th>MEDICAL FACILITY</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Hospital</td>
<td>25.2</td>
<td>8.0</td>
<td>14</td>
</tr>
<tr>
<td>Private Doctor</td>
<td>6.2</td>
<td>5.2</td>
<td>5.5</td>
</tr>
<tr>
<td>Hakim</td>
<td>14.8</td>
<td>20.5</td>
<td>16.9</td>
</tr>
<tr>
<td>Homeopath</td>
<td>20.0</td>
<td>12.0</td>
<td>16.0</td>
</tr>
</tbody>
</table>
The table-6.1 shows that women in rural areas were more inclined to go to *hakims* and peers which means that they were still confined to superstitious beliefs. A significant proportion of the working women, i.e. 45 percent of the women responded that they could not afford the needed treatment. In urban areas the medical treatment was more affordable than rural areas, perhaps the access was easier accessibility.

### 6.11 Numbers of Hours Worked

According to labor force survey 1997-98, 35 hours of work in a week is considered as a normal working week, if a person works less than 35 hours per week the person is under employed. According to survey definition 48 percent of working women in Pakistan are under employed. Mehrotra and Biggeri (2002) narrated that in Pakistan working hours per day are in the range of 6.6 to 7.6. In Thailand female workers devote 8 to 10 hours to craft work. It represents the lower working hours in Pakistan for working women. The women in our survey worked at their own timings which varied according to their convenience. On average they spent 3 to 9 hours a day to paid work and they were helped by other members of their family as well. Children go to school but also do one or the other type of work and thus help the family economically as well. The long working hours had significant negative impact upon their health (Khan et. al. 2005). It is found in the present study that almost 54.9 percent of the informally employed women in overall areas are doing work 7-8 hours daily but 4.5 percent in overall areas and 3.2 percent in rural areas and 8.9 percent in urban areas are doing 9-10 hours daily. So the urban women are doing more work
than rural ones. Furthermore, 3.1 percent of the urban women and 1.3 percent of the rural women are doing work more than ten hours daily.

Table-6.12 Daily Working Hours of Working Women (Percentage)

<table>
<thead>
<tr>
<th>DAILY WORKING HOURS</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 2</td>
<td>2.9</td>
<td>3.5</td>
<td>3.0</td>
</tr>
<tr>
<td>3-4</td>
<td>5.0</td>
<td>6.5</td>
<td>6.0</td>
</tr>
<tr>
<td>5-6</td>
<td>25</td>
<td>31</td>
<td>29</td>
</tr>
<tr>
<td>7-8</td>
<td>55</td>
<td>54.5</td>
<td>54.9</td>
</tr>
<tr>
<td>9-10</td>
<td>8.5</td>
<td>3.2</td>
<td>4.5</td>
</tr>
<tr>
<td>11 and above</td>
<td>3.1</td>
<td>1.3</td>
<td>2.6</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

6.12 Experience of Work

It is found that majority of the women did not possess any sort of skill in the field of work they did. They have learned the skill with experience which we may call learning by doing process. Women working in informal sector have less access to the world of work and it is much difficult for them to obtain experience by having contacts with male professionals, so they have to rely on practical experience to be obtained with in the family. Wage, income and experience are positively related (Levine and Moock 1984) but our study has revealed that majority of the women are working from their early ages but they have very little addition in their wages as they have no specific skill of work. The table-6.13 shows that girls start their work at the age of 9-13 years. The girls in urban areas start their work at an early age as compared to rural ones.
Table 6.13 Age-wise Experience\(^2\) of the Work

<table>
<thead>
<tr>
<th>AGE (YEARS)</th>
<th>EXPERIENCE OF WORK IN YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
</tr>
<tr>
<td>16-20</td>
<td>7.2</td>
</tr>
<tr>
<td>21-25</td>
<td>12.1</td>
</tr>
<tr>
<td>26-30</td>
<td>9.7</td>
</tr>
<tr>
<td>31-35</td>
<td>12</td>
</tr>
<tr>
<td>36-45</td>
<td>19</td>
</tr>
<tr>
<td>46-60</td>
<td>21.8</td>
</tr>
</tbody>
</table>

6.13 Mode of Employment

It is assumed that cash-payment is the best mode of payment as compared to kind, and kind and cash collectively, because in the form of cash the income is specific and determined in monetary terms. We have observed that 67.5 percent of women (overall areas) is receiving the income/wages in cash, while 27.4 percent is receiving the income in kind. The income in cash has two types. In the first type the income is given in the form of food and clothes. It may be considered as daily flow of income. Majority of this type of women workers are domestic servants of urban as well as rural areas. The second type of kind-earners comprised of workers engaged in piece-work, specially in rural areas. There is much difference among rural-urban kind-earners.

Table 6.14 Mode of Payment of Informally Employed Women

<table>
<thead>
<tr>
<th>MODE OF INCOME</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>78.0</td>
<td>51.2</td>
<td>67.5</td>
</tr>
<tr>
<td>Kind</td>
<td>2.01</td>
<td>9.7</td>
<td>4.1</td>
</tr>
</tbody>
</table>

\(^2\) Experience of all kind of work, because the women in informal labor market have a variety of types of work in their life cycle.
The issue of piece-rate work is important and has not been adequately addressed by policy makers. The employer determines the piece rate in such a way that he gets maximum profits at minimum costs. As long as the workers have collective strength to speak up of their rates, the employers have their advantage. Labor laws do not cover the economic activities of piece rate workers. There is a list of various trades that fall under the minimum wage act. But under circumstances where there are so many trades as there are people such list becomes meaningless. Labor laws are implemented through the government machinery where understanding of the unorganized sector is very limited. In spite of overwhelming number of self-employed workers, their issues remain invisible and unheard. So there is a need to cover piece-rate work in minimum wage act, through which piece workers can get their rights.

### 6.14 Contribution of Women in Household Budget

The contribution of women varied with socio-economic profile of the households. In the households living below poverty line 39 percent contribute is done by females and the households who are headed by females and the households where heads are not working are absorbing the contribution of females at 78 percent for overall areas. Similarly, the households where adults are unemployed due to illness, addiction and illegal status are taking the contribution of women at 76 percent. The loaning to household increases its capacity to involve the women and children in household...
enterprises. In such households, women are contributing 18 percent in household budget.

Table-6.15 Contribution of Women (Percentage) by Socio-economic Profile of Household

<table>
<thead>
<tr>
<th>SOCIO-ECONOMIC PROFILE</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households living below poverty line</td>
<td>43</td>
<td>33</td>
<td>39</td>
</tr>
<tr>
<td>Female-headed households</td>
<td>79</td>
<td>75</td>
<td>78</td>
</tr>
<tr>
<td>Household where heads are not working</td>
<td>86</td>
<td>70</td>
<td>78</td>
</tr>
<tr>
<td>Households where males are unemployed due to illness, addiction, and illegal status</td>
<td>89</td>
<td>58</td>
<td>76</td>
</tr>
<tr>
<td>Households where loan is availed by the household/working woman</td>
<td>25</td>
<td>14</td>
<td>18</td>
</tr>
</tbody>
</table>

6.15 Contribution of Women by Age Group

The age of the women and ultimately experience of the woman may result into increase in income and then increase in contribution. We have estimated that in urban areas the women in the age group of 36-45 years are contributing more in their household income but in rural areas the women in the age group of 31-35 years are contributing maximally. For overall areas the women in the age group of 36-45 years are contributing in their household income maximally. The contribution of women for overall, urban and rural areas in age-groups first increases then it decreases (table-6.16).

Table-6.16 Contribution of Working Women by Age Group

<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-20</td>
<td>9</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>21-25</td>
<td>17</td>
<td>11</td>
<td>13</td>
</tr>
</tbody>
</table>
6.16 Contribution of Working Women by Marital Status

The marital status of the women also affects the work decision, working hours, income/wage and contribution in household income. It is found that the contribution of married women in overall areas (see table-6.17) is four times higher than the single women. Similarly for urban areas the contribution of married women is four times and for rural areas it is 3.5 times higher than single women. It is evident that married women contribute more than the single women. While the widows/separated ones/divorcees are contributing more of all. Even they are contributing two-third of the household income.

<table>
<thead>
<tr>
<th>MARITAL STATUS</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>8</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Married</td>
<td>27</td>
<td>35</td>
<td>31</td>
</tr>
<tr>
<td>Widowed/Separated/Divorcees</td>
<td>72</td>
<td>63</td>
<td>69</td>
</tr>
</tbody>
</table>

6.17 Contribution of Women by Educational Status

It is postulated that education as human capital increases the productivity of individual which may result into increase in income and ultimately it may result into increase in contribution. We have estimated (table-6.18) that for overall areas of
Bahawalpur the increase in educational stage is resulting into increase in contribution but trend is such that the contribution decreases up to middle level but then increases. The same trend is found for urban areas. There is strange result for rural areas, i.e. increase in educational stage results into decrease in contribution. The possible explanation may be that there are less productive opportunities for women in rural areas.

### Table 6.18 Contribution of Working Women (Percentage) by Educational Status

<table>
<thead>
<tr>
<th>EDUCATIONAL STATUS</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>21</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>Primary</td>
<td>13</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Middle</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Matric</td>
<td>23</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Intermediate</td>
<td>28</td>
<td>6</td>
<td>21</td>
</tr>
</tbody>
</table>

### 6.18 Contribution of Working Women and Fertility

The fertility behavior of the number of children is speculated to affect the work behavior of the women. We have estimated (See table 6.19) the contribution of informally employed women for urban, rural and overall areas with respect to their children (up to the age of 15 years). For overall, urban and rural area the trend is so that the contribution first increases by increase in number of children then it decreases. For overall and urban areas, maximum contribution in the household budget is done by the women having three children. For the rural areas maximum contribution is done by the women having four children.
Table-6.19 Contribution of Working Women (Percentage) by Number of Children

<table>
<thead>
<tr>
<th>NO. OF CHILDREN</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18</td>
<td>5.5</td>
<td>11.7</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>6.5</td>
<td>5.5</td>
</tr>
<tr>
<td>3</td>
<td>27</td>
<td>15</td>
<td>20.5</td>
</tr>
<tr>
<td>4</td>
<td>18</td>
<td>21</td>
<td>18.5</td>
</tr>
<tr>
<td>5</td>
<td>8</td>
<td>7</td>
<td>7.8</td>
</tr>
<tr>
<td>6</td>
<td>9</td>
<td>11</td>
<td>10.5</td>
</tr>
<tr>
<td>7</td>
<td>10</td>
<td>9</td>
<td>9.5</td>
</tr>
<tr>
<td>8 and above</td>
<td>7</td>
<td>5</td>
<td>6.5</td>
</tr>
</tbody>
</table>

6.19 Contribution of Working Women by Typology

The typology of work differs in many aspects, i.e. locality (urban or rural) working hours, education, skill and training, household background, working conditions, availability of market, availability of loan, community characteristics, and household or head of household’s profession, etc. In the same line the income of the women employed in different professions and their contribution differ. In the urban areas maximum contribution in the household income comes from the sex-workers and related group. These women are clustered in the area of Himatian. They are contributing 72 percent of their household budget. Their ratio in the sample is only 1.1 percent. In the rural areas their ratio is only 0.1 percent and they are contributing 45 percent in their household budget. For the overall areas their contribution is 67 percent. After sex-workers, in overall areas the maximum contribution is by brick-making women. They are contributing 48 percent of the household budget. The ratio of the brick-making women in overall areas is 6.1 percent. These women work in

---

3 It includes infants (up to 5 years) and school-going-age (5-15 years) children of both sexes. In our econometric model we will analyze the age groups separately along with separate sexes.
harsh weather conditions for long-working hours. Brick-making is comparatively more prevalent in rural areas as compared to urban areas. Brick-making is the profession in which piece-rate exists along with bonded labor. It seems that the adult males of the household largely depend upon women and children. Then comes the group of brick-breakers/road-makers and household maids. The group of the women which are involved in dress-making in the category of embroidery/ *silma sitara/ resham ka kam/ chunri-making/ thapa-making/ makaish and stitching/ sewing/ crocheting/ tie and dye/ tarkashi consist of 39.2 percent of the sample and contributing 30 percent on average in their household budget. This group of women is contributing in inner-city of Bahawalpur and surrounding villages.

### 6.20 Contribution of Working Women (Percentage) by Typology of Work

<table>
<thead>
<tr>
<th>TYPES OF WORK</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embroidery/ <em>Silma Sitara/ Reshim Ka Kam</em></td>
<td>27</td>
<td>23.5</td>
<td>26</td>
</tr>
<tr>
<td>Chunri-Making/ <em>Thappa-Making/ Makaish-Making</em></td>
<td>32</td>
<td>28.11</td>
<td>29</td>
</tr>
<tr>
<td>Stitching/ Sewing/ Crocheting/ Tie and Dye suites/ <em>Tarkashi</em></td>
<td>31</td>
<td>17.5</td>
<td>24.5</td>
</tr>
<tr>
<td>Beauty Parlour</td>
<td>25</td>
<td>27</td>
<td>26.0</td>
</tr>
<tr>
<td><em>Dai</em></td>
<td>20</td>
<td>21</td>
<td>20.5</td>
</tr>
<tr>
<td><em>Chapati-making of Flour/ Samosa-making/ Berian-making / Pickles-making</em></td>
<td>28</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Brick-making</td>
<td>48</td>
<td>50</td>
<td>47</td>
</tr>
<tr>
<td>Shop Keeper</td>
<td>30</td>
<td>48</td>
<td>39.2</td>
</tr>
<tr>
<td>Door to Door Selling</td>
<td>21</td>
<td>9.5</td>
<td>15</td>
</tr>
<tr>
<td><em>Street Women</em></td>
<td>18</td>
<td>13</td>
<td>15.5</td>
</tr>
<tr>
<td>Breaking Bricks/Road making</td>
<td>38</td>
<td>47</td>
<td>42</td>
</tr>
<tr>
<td>House Maids</td>
<td>35</td>
<td>39</td>
<td>38.5</td>
</tr>
</tbody>
</table>
6.20 Contribution of Working Women by Working Hours

The working hours of informally employed women varies from profession to profession and cluster to cluster even from individual to individual in the same cluster and locality. That is the basic characteristic of informal sector. Our estimation (see table-6.21) shows that the women who are doing 7-8 hours daily are contributing maximum in urban and overall areas. The contribution of women increases by increase in working hours up to 7-8 daily working hours, after that it decreases. It shows that there are some professions where productivity as wage is much lower which does not results into further increase in contribution.

<table>
<thead>
<tr>
<th>WORKING HOURS</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 2</td>
<td>10</td>
<td>14</td>
<td>12.5</td>
</tr>
<tr>
<td>3-4</td>
<td>18</td>
<td>17</td>
<td>17.5</td>
</tr>
<tr>
<td>5-6</td>
<td>28</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>7-8</td>
<td>39</td>
<td>35</td>
<td>37.5</td>
</tr>
<tr>
<td>9-10</td>
<td>21</td>
<td>11</td>
<td>15.5</td>
</tr>
<tr>
<td>11 and above</td>
<td>22</td>
<td>18</td>
<td>20.5</td>
</tr>
</tbody>
</table>

Table-6.21 Contribution of Women (Percentage) by Working Hours
6.21 Contribution of Working Women by Experience

The working experience of the women may determine their contribution in household budget. It is found that contribution is maximum for the women who have 7-8 years of experience. After this period the contribution decreases. The possible explanation may be that after that experience an increase in age may result into decrease in productivity in informal sector. Along with this, the offspring enters into labor market and women decrease the working hours.

<table>
<thead>
<tr>
<th>EXPERIENCE IN YEARS</th>
<th>URBAN</th>
<th>RURAL</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>9</td>
<td>7</td>
<td>8.5</td>
</tr>
<tr>
<td>3-4</td>
<td>27</td>
<td>28</td>
<td>27.2</td>
</tr>
<tr>
<td>5-6</td>
<td>29</td>
<td>25</td>
<td>27.5</td>
</tr>
<tr>
<td>7-8</td>
<td>34</td>
<td>31</td>
<td>33.4</td>
</tr>
<tr>
<td>9-10</td>
<td>28</td>
<td>29</td>
<td>28.4</td>
</tr>
<tr>
<td>11-12</td>
<td>32</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>13 and above</td>
<td>30</td>
<td>21</td>
<td>25.5</td>
</tr>
</tbody>
</table>
CHAPTER 7

CONTRIBUTION OF WOMEN: HOW MUCH WOMEN CHARACTERISTICS AFFECT

The main objective of the study is to analyze the contribution of working women in informal sector to their household budget. In this chapter we will see how much contribution of women is affected by the characteristics like, age, education, marital status, etc. Only econometric estimates will be discussed here.

7.1 Estimates of OLS Model

We have estimated contribution of women in the household income through OLS model. The variables included in the model are concerning with the individual characteristics of women. The function is

\[ WCHB = f(X_1, \ldots, X_n) \]

Where WCHB is the contribution of women in household budget. \( X_1, \ldots, X_n \) are the variables related to women characteristics influencing her contribution. These variables are women’s age, marital status, woman as head of household, ownership of assets by the household and woman’s health status\(^1\). The definitions of dependent and explanatory variables are presented in table-7.1.

---

\(^1\) Some other characteristics like the type of job, work experience of the woman (Mehrotra and Biggeri 2002) learning by doing characteristics, childhood nutrition measured by height (Fafchamps and Quisumbing 2003), skill obtained from institution, vocational and technical training of the woman,
Table-7.1 Definitions of Dependent and Explanatory Variables Used in the Model

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>DEFINITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variable</strong></td>
<td></td>
</tr>
<tr>
<td>WCHB (Woman’s contribution in household income)</td>
<td>• Ratio of woman’s earned income to the total income of the household</td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
</tr>
<tr>
<td>WAGE (Woman’s age)</td>
<td>• Her age in completed years</td>
</tr>
<tr>
<td>WAGESQ (Woman’s age squared)</td>
<td>• Her age squared</td>
</tr>
<tr>
<td>WEDU (Woman’s education)</td>
<td>• Her completed years of education</td>
</tr>
<tr>
<td>WLIT (Woman’s literacy status)</td>
<td>• 1 If she is literate, 0 otherwise</td>
</tr>
<tr>
<td>WMAR (Woman’s marital status)</td>
<td>• 1 If she is married, 0 otherwise</td>
</tr>
<tr>
<td>WHEAD (Woman as head of household)</td>
<td>• 1 If she is head of household, 0 otherwise</td>
</tr>
<tr>
<td>WASST (Woman’s ownership of assets)</td>
<td>• 1 If the household owns assets, 0 otherwise</td>
</tr>
<tr>
<td>WHEAL (Woman’s health status)</td>
<td>• 1 if the woman is healthy$^2$, 0 otherwise</td>
</tr>
</tbody>
</table>

The OLS is estimated for the sample. The results are shown in table-7.2. It should be noted that results are not strictly comparable with other studies due to difference of data constraints by studies (which affect the choice of variables, age grouping etc.), different estimation technique and econometric analysis, and other methodological differences, including sample choice etc. adopted by different studies. The individual characteristics of a woman influence the level of her contribution in household budget.

Membership of any working women’s organization and purdah (veil) (Azid, et, al. 2001) are equally important factors determining the contribution of women in household but due to time and data constraint, we have not included them in the study.

$^2$ Suffering no symptoms of cough/cold/fever, weak eyesight, back pain, pain in joints, skin problem, respiratory diseases, leukaemia, exhaustion and watering eyes.
### Table 7.2 Estimates of OLS for Women Contribution in Household Income

(Variables: Women Characteristics)

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Standardized Coefficient Beta</th>
<th>T-Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>141.251</td>
<td>2.7671</td>
</tr>
<tr>
<td>WAGE</td>
<td>1.7902</td>
<td>1.1456*</td>
</tr>
<tr>
<td>WAGESQ</td>
<td>-1.2589</td>
<td>-1.9678**</td>
</tr>
<tr>
<td>WLIT</td>
<td>0.3069</td>
<td>2.6291**</td>
</tr>
<tr>
<td>WEDU</td>
<td>0.1380</td>
<td>2.0667**</td>
</tr>
<tr>
<td>WMAR</td>
<td>6.019</td>
<td>1.7077**</td>
</tr>
<tr>
<td>WSEMP</td>
<td>1.3678</td>
<td>2.0148**</td>
</tr>
<tr>
<td>WHEAD</td>
<td>1.271</td>
<td>1.7647**</td>
</tr>
<tr>
<td>WASST</td>
<td>2.9886</td>
<td>1.2674*</td>
</tr>
<tr>
<td>WHEAL</td>
<td>1.8311</td>
<td>2.7491**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of Observations</th>
<th>1780</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-Squared</td>
<td>0.7537</td>
</tr>
<tr>
<td>Percent Correct Prediction</td>
<td>0.7194</td>
</tr>
</tbody>
</table>

* Significant at 5 percent and ** significant at 10 percent.

### 7.2. Age of the Women

Age is an important factor to determine a worker’s time allocated to work (Sathar and Desai 1996; Pangestu and Hendytio 1997; Karim 2001), which consequently determines their contribution in the household income. The decision of a woman to enter the labour market based on age is influenced by a variety of factors such as related to life cycle phenomenon, family formation factor, cultural norms, job structure and need for income. Two hypotheses may be postulated about the effect of a woman age on her contribution. Firstly, the increase in age may raise the labor force
participation due to (i) larger family size and ultimately income dilution effect (ii) work experience and high wages in the latter age, (iii) awareness positively correlates with age, (iv) presence of offspring in the household to look after household chores freeing mothers for labor, and (v) the fact that older women have more and relaxed social contracts as compared to younger women. Second hypothesis is that elder women have comparatively elder off-spring as compared to younger mothers and in poor households the children enhance the financial status of the household by participating in the economic activities so mothers in latter age are less required to contribute in household budget.

Young women are found to behave differently in deciding to enter the labour market. Wage and income elasticity of time allocated to work is higher for older than for younger women (in absolute terms) and relative importance of participation is reversed as the woman grows older. Younger women are more concerned with the participation decisions while older women are more concerned with the hour’s decision (Hartog and Theeuwes 1986). The employment rate of young women (in the age of 18 to 25 years) is lower than the employment rates of the women from older age group. Most economically active are 26 to 35 years old mothers (Lokshin et. al. 2000). As concerns the formal and informal sector, formal sector employees reach at their maximum earnings between the ages of 34 to 45, while informal sector employees reach at their maximum earnings between 35 to 54 years of age (Kozel and Alderman 1990).

La Ferrara (2002) estimated a negative relationship between age and women’s time allocation to work as well as a determinant of hourly earnings. Azid et. al. (2001)
have found a linear relationship between age and women’s participation in earning activities (see also, Sultana, et. al. 1994). Earnings increase with the age (Fafchamp 2003), because the job experience is increased but returns are increased at decreasing rate (Kozel and Alderman 1989; La Ferrara 2002). In the present study, for the women in the age bracket of 16-60 years we have estimated a non-linear relationship between age of the woman and her contribution in household income. The contribution increases by increase in age but in the later age the contribution decreases\(^3\). It explains that job experience does not affect the productivity. The explanation have different aspects, firstly, when a female enters the labor market in the beginning she has no experience of job and consequently contribute less, as the age increases she gets experience and contribute more. Secondly, in the age group of 16-60 years, the comparatively younger women are physically more productive where unskilled labor is concerned and that is the characteristic of informal sector, while in the older-age group the women are physically less productive. Thirdly, in the older-age group when the women have adult offspring, she spends less time in labor market and contributes less to the household income.

The other possible explanation for a positive relation between the age of the woman and her contribution up to a specific age may be that for younger women social constraints are strict which hinders hours of labor supply. The younger women if they are married they have smaller family size duet to lower number of off-spring so they are less compressed to contribute in household income. Similarly, due to chid-care activities these women have less time for paid-work.

\(^3\) In quantitative estimates of contribution of women in different age group, for urban and overall areas, the contribution is maximum in the age group of 36-45 years and for the rural areas it is maximum in the age group of 31-35 years. For overall, urban and rural areas, first the contribution increases then it decreases by increase in age group.
7.3. Education of the Women

Educational level of a woman is perceived as the major characteristic for determining her contribution in household budget. Education is perceived as the major characteristic for the process. The educational level of a woman may work in two ways to affect on the allocation of her time in market and at home. For example, if education increases her productivity in home tasks then she would prefer to stay at home but if the opportunity cost of staying at home is larger, then she would devote time in the market for earning (Sultana et. al. 1994). But the higher level of education of women indicates that they do not come from poor households. They come from families that at least hope that their women will get either good earning jobs otherwise no job. While women with lower level of education or no-education have work aspirations simply to get paid and contribute in household budget.

Economic theory tells that the earned income of an individual is function of individuals’ level of education. Job market participation also responds to human capital characteristics of the individual. Education strongly influences the wages received (La Ferrara 2002; Escriche et. al. 2004). Higher the level of education, higher the wages (Kozel and Alderman 1989). Income per hour is increased as education is increased (Mehrotra and Biggeri 2002). Education of women and work experience influence the productivity positively. Employees with the primary or the middle school education receive some 12 to 14 percent higher than those with no education (Khan and Irfan 1985). Women’s education is positively related with female’s participation in economic activities (Coady 2001). Education up to middle standard has a strong and positive influence upon the participation of women in work force (Pangestu and Hendytio 1997; Azid et. al. 2001). If wages remain constant, an
increase in the level of education increases probability of women’s participation and
time allocated to market activities because the opportunity cost of not working is
increased.

Some studies have found inverse relationship between education and work
participation of females. The correlation between education of a women and her
activity rate is non linear in informal sector\(^4\). The females having the primary or
middle level education report the lower activity rate than the illiterate females.
Because the jobs in informal sector are of low status and the inclination to switch
from informal to formal sector is increased (Irfan 1983). To capture the effect of
women’s education on her contribution in household income, we have included two
types of variables regarding women’s education, i.e. continuous variable representing
the number of years of education of the women, and binary variable representing
whether the head of household is literate or illiterate\(^5\) (same type of variables have
been used to measure the effect of husband’s education on contribution of women in
household income).

We have found a positive relationship between the number of years of schooling (as
well literacy status) and the contribution of women to family income (see also, Ofer
and Vinkar 1983). If the woman is literate, the contribution to family income will
increase by 30 percent and one additional year of education would increases the
contribution to family income by 13 percent. The education increases the

\(^4\) In our quantitative analysis in chapter 6, we have also found a non-linear relationship between
contribution of a woman and educational stage. The contribution decreases up to middle stage of
education, after that it increases (see table 6.18).

\(^5\) The educational level of women may stand proxy for wages or earned income, so we have not
included the wage rate of women in our analysis as an explanatory variable. Similarly to make a
comparison of literate women to illiterate women, we have used binary variable of literacy status of
women.
productivity, potential, and income earning activities. The earnings are increased which result into higher contribution in household income. Education has positive influence upon a women’s health and it reduced the probability of being sick. The other aspects of women’s education on her contribution in household income may be: the education increases a woman’s efficiency in household task and reduces the time in home production, so more time can be devoted to paid work and more can be contributed in household income; females with higher schooling may have a strong tendency to perform fewer household chores; education is positively associated with women’s control over income, in terms of retaining and spending, which provide an incentive to paid-work and contribute in household income; and education make the exposure of a woman to the other world and enhance aspirations for quality of life, which give motivation to earn more and spend on household items, children’s education and family health.

7.4. Marital Status of Women

The empirical evidences have shown that the roles and status of individuals within a household are determined by their seniority and marital status (Warner and Kydd 1996). A women’s marital status significantly affects the probability of working (Duncan, et. al. 1993; Pangestu and Hendytio 1997; La Ferrara 2002). Gonzales (2004) concluded that on average married women with or without children devote more time to work than never married, childless women. A single women devote less number of weekly hours to work as compared with married women (Mcgratton and Rogerson 2004; Gonzales 2004). Jones et. al. (2003) have also concluded that there are different approaches of married women and single women towards hours worked and wage rate. There exists a positive relationship between hours worked by married
women and wage rate but the number of hours devoted to work by single women remains unaffected. In informal sector, the employment pattern of working women in their marital status seems quite different specially in low-income occupations. Majority of the women in this strata does not work before marriage and if they work they show a casual approach towards work. They do not have prior commitment to their work but after marriage they are forced by their circumstances to seek employment in order to support their growing families. We have concluded that married women⁶ are contributing more to family income as compared with single women⁷. The contribution of women to family income notably increases with marital status. It supports the notion that circumstances force the married women to contribute in household budget.

7.5 Kind of Employment

Self-employed woman can be categorized into three groups, regarding their personal goals. Firstly, they are freedom seekers who enter into self-employment to fulfill their ambitions out-side the conventional career structure, generally frustrated with gender-related career blocks. Secondly, security seekers are those who enter into self-employment jobs because of economic necessity usually to supplement their low-income and finally drifters are those who are pushed into self-employment because of lack of job opportunities (see Carter and Cannon 1992). In developing countries usually women working in the informal sector belong to low-income group of families, having weak commitment to entrepreneurial ideals but high commitment to

⁶ We have included the currently married, and widowed/divorcee/separated women, though widowed and separated or even divorcees have different behavior for contribution in household budget. Even the married women (as well as widowed and separated) with and without children have different reason for their contribution.

⁷ In the quantitative estimates (chapter 6), it is found that for overall areas married women are contributing to their household income, three times more than single ones (see table 6.17).
the traditional female role as wives and mothers. They are pushed into labor market because of economic necessity, with low educational qualifications, having no space in formal sector employment. In our study these drifters are contributing more in family budget as compared with its counterpart working as employees. The kind of employment of women affects the contribution of women in their households. Generally the women wages are lower, specifically in informal sector the employment is not permanent so the incomes of the women remain lower and their contribution also remains low. On the other hand the self-employed women have somewhat capital and their incomes are permanent so their contribution may also remain high. Our study has shown that the self-employed women are contributing more to their household income as compared to employees.

7.6 Woman as Head of the Household

The parameters of head of the household are critical in determining the labor force participation decision. The female-heads decisions differ in a number of aspects, for instance, Emerson and Souza [2002b:10] found that the decision to send children to school alternatively to work may be fundamentally different for single-headed households than two parents households. We capture the vulnerability indicators of female-headed households by using a dummy for female headship. Though the concept of female headship has come under a lot of criticism for not adequately identifying gender vulnerability, still it remains the most useful single indicator in the absence of anything better (See, Rosenhouse 1989; Mason and Lampietti 1998). Sakellariou and Lall (1977 for Philippines) used two types of indicators of poverty in their study, i.e. (i) if the household lived in the lowest per capita expenditure quintile (ii) if the child belongs to a female-headed household. Ray [2000a] says that female-
headed households are more vulnerable to poverty and are much more dependent on children’s earning than male-headed households. This makes the impact of the gender of the head of household on household decision in economic literature.

Life is difficult for female heads, not least because of prejudice, but social stigma as well. The sheer physical and emotional fatigue of child-raising alone and trying to be the main source of both affection and authority at the same time drain morale. They have far more difficulty in maintaining their families because they have less access to market economy. When they do earn, their wages are generally far lower. The households led by women are among the poorest (Boyden 1994). When women become the main earners, they have very little time for their offspring. So the girls, even the very young ones, have to become housekeepers and child-care takers.

Female-headed households constitute one of the most impoverished sections of the community (see, Ray 2000c:9 for India; Meenakashi and Ray 1999b for India; Lancaste et. al. 1999 for cross country data). Female-headed households are generally far more common in Latin American, African and Caribbean than in Asia and Pacific-where widows, divorcees and lone women are likely to be absorbed into extended family households. But economic circumstances of female-headed households are widely variable there. In Pakistan, second marriage for females is discouraged due to the social norms, though from the religious point of view, it is allowed. But the relatives usually care for widows and abandoned women, though the economic circumstances of such women are not so good as a whole. The women and children face extreme destitution if there is no relative to take care of them.
The female adults in Pakistan participate in economic activity, less due to various socio-economic and cultural reasons, which keep the income of the females low. In Pakistan, a system of purdah means women’s dependence on men, and separation from world of work and therefore it results in extreme destitution for women and children. The female participation in economic activity is less due to generally low educational level as compared to males, the lack of income-earning skills, less employment opportunities and various socio-cultural factors (Kabir 1994). There are other findings which show that female-headed households have poorer survival chances because of their less access to non-labor income and other financial resources, more dependency on wage income, lower level of education and less access to actual welfare (Agrawal 1995; Panda 1997; Kumari 1989). Female-headed household are more disadvantaged and are expected to be less well off than male-headed families due to women’s low income earnings. Female head of the household is positively related with participation of women in economic activities (Azid et. al. 2001)\(^8\). Head of the household is a person on whom falls the chief responsibility for the maintenances of the household and full control over resources. Studies have proved that she usually uses resources more efficiently than male-head of the household as a result family welfare is increased (Bruce 1989; Blumberg 1991). Female-headed household have different preferences in intra household division of resources (Escriche et. al. 2004). Resources in a female-headed household are utilized for the welfare of the family in a better way as compared to the male-head of the household. Women’s access to the labor market in Pakistan is determined by rigid gender role ideologies, social and cultural restrictions on women’s mobility and integration in work place, segmented labor market and employers’ gender biases, that

\(^8\) Naqvi and Shahnaz (2001) have contradicted it and estimated that female heads of the household are less likely to participate in economic activity.
attach a low value to female labor due to their family responsibilities. Female labor force participation rates in Pakistan are exceptionally low at just 13.7 percent, compared to 70.4 percent for men (ADB 2002:1). Consequently, the probability for female-headed households to contribute in their households should be low, but it is not so in our results. We have found that women with headship of household contribute more to household.

The possible explanation may be that the women as head of household have more responsibilities and no-body other than children or old-age household members are present in the household so contribution in the household income. So female-headed women have higher contribution to their household income.

### 7.7 Ownership of Assets by Women

This is an important indicator of the socio-economic standing of a woman. The ownership of assets by the women implies a relative degree of security to women and household. Theoretically the ownership of assets may impact the contribution of a woman in household budget in two ways. In one way, the assets make the household richer and financially stable and women are less likely to spare time for paid work and contribute less in the household budget. We have found that if the woman has assets, she contributes more to the household budget. The possible explanation may be that ownership of assets by the woman enhance the productivity, ultimately she contribute more to household budget. The ownership of assets makes availability of

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9 The quantitative estimates by the present study have shown that for overall, urban and rural areas, the women are contributing 75-79 percent in household budget (see table 6.15).

10 Only ratio of the earned income of the woman to their household income is taken as contribution to household budget.
financing to the woman for an enterprise which enhances the income of the enterprise and contribution of woman in household budget.

### 7.8 Health Status of Women

The health status of an individual is part of the human capital. Conceptually a worker of lower health status would earn less and ultimately contributes less to household budget. The health status of women is measured by different variables most common are the anthropometric indicators showing the height and weight ratios, frequency of the disease in a reference period, the days out of work also stand for proxy of poor-health. Mehrotra and Biggeri (2002) have taken a continuous variable to show the health status of working women in home-based workers. The variable may take the value from zero to 7 depending upon the number of diseases. In our model we have used a binary variable for health status, i.e. whether the woman has suffered from any disease in the reference period or not. The intensity of the disease has not been judged. It is found that the income contribution of woman is negatively related to the health status of the woman\(^{11}\). It has significant policy implication. If the policy makers intend to increase the contribution of woman in household income, the health facilities specifically for working woman in informal sector be provided. The good working environment should also be provided.

\(^{11}\) The bad health may be a function of bad working condition, long working hours with lower wages and hazardous kind of work with no-safety measures.
CHAPTER 8

HOUSEHOLD CHARACTERISTICS AND
CONTRIBUTION OF WOMEN

The household characteristics play an important role in determining the contribution of a woman in household budget. For instance, the characteristic of the husband of a woman like the age, education, employment status, and income level determines the time allocation of a woman and ultimately her contribution in the household budget. Similarly, the household size, composition, locality also determines the paid employment of the woman. In this chapter we are going to analyze the effects of household characteristics on women’s contribution in household budget.

The informal sector absorbs the category of household’s socio-economic strata which have uneducated working women of low-income occupation. This category of women includes factory workers, informal sector jobbers such as domestic servants, casual workers, vendors, and home-based women workers. The deterioration of economic circumstances, like general household poverty, higher number of dependents in the household, death of husband or bread-earner, divorce, separation, unemployment of husband, burden of the debt on the household, and large number of children seems the major causes of their work. The decision of these women to enter the labour market is necessitated by the household’s desire to make the ends meet implying provision of
basic food, clothing and shelter. It is done by contribution of women in household budget. The household characteristics are the determinants of contribution of women in household budget, although individual characteristics of women, and community characteristics are also important. In this chapter our analysis is concerned with household characteristics.

8.1 Estimates of OLS Technique

To capture the contribution of these women in the household budget we have estimated OLS model in which contribution of a woman is a function of several socio-economic variables related to household characteristics. Though, Doss (1996) concluded that income controlled by a woman is spent differently than controlled by a man. We have assumed that income earned by a woman working in informal sector becomes the part of the household budget. The economic activity is defined as the paid-employment, self-employment, or work in family-enterprise. Some studies (see for instance, Pangestu and Hendytio 1997) have defined the working woman as a woman who is working for other people or legal entities and is compensated in financial terms or payment in kind. They have ignored the self-employed and women involved in family enterprises. In Pakistan specifically in informal sector and rural areas, a number of women are involved in these two kinds of employment. So we have considered these women as labour force participating women.

The variables included in the model are concerned with the household characteristics (husband’s age, education, employment status and income, household per capita

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1 If all the activities of women (directly and indirectly enhancing the household income) would have been taken, the activities would be paid-employment, unpaid-employment (household enterprises), self-employment, home-care activity, and/or combination of some or all of these. But we are concerned with only economic activities of the women, i.e. the activities directly resulting into increase in household income.
income, poverty status of the household, household size, combined or nuclear family structure, number of children in the household, number of infants in the household, adult male and female members of the household, loan availed by the household and urban or rural locality of the household). The function is

\[ WCHB = f(X_1, \ldots, X_n) \] ………………….(1)

Where WCHB is the contribution of women in household budget. \( X_1, \ldots, X_n \) are the exogenous variables influencing her contribution. The definitions of dependent and explanatory variables are presented in table No.8.1.

**Table-8.1 Definitions of Dependent and Explanatory Variables Used in the Model**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variable</strong></td>
<td></td>
</tr>
<tr>
<td>WCHB (Woman’s contribution in household income)</td>
<td>• Ratio of woman’s earned income to the total income of the household</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
</tr>
<tr>
<td>HAGE (Husband’s age)</td>
<td>• Husband’s age in completed years</td>
</tr>
<tr>
<td>HEDU (Husband’s education)</td>
<td>• Husband’s completed years of education</td>
</tr>
<tr>
<td>HLIT (Husband literacy status)</td>
<td>• 1 if the husband is literate, 0 otherwise</td>
</tr>
<tr>
<td>HEMP (Husband’s employment)</td>
<td>• 1 If husband is employed, 0 otherwise</td>
</tr>
<tr>
<td>HSEMP (Husband’s self-employment)</td>
<td>• 1 if the husband is self-employed, 0 otherwise</td>
</tr>
<tr>
<td>YHEAD (Income of head of household)</td>
<td>• Head of household income per month in Rupees</td>
</tr>
<tr>
<td>HHSIZ (Household/family size)</td>
<td>• Number of household/family members</td>
</tr>
<tr>
<td>HNUC (Nuclear status of household)</td>
<td>• 1 If household is nuclear, 0 otherwise</td>
</tr>
<tr>
<td>CHILD (Number of children in household)</td>
<td>• Number of school-age children (5-15 years) in the household</td>
</tr>
<tr>
<td>INFANT (Number of infants in household)</td>
<td>• Number of infants (up to 5 years) in the household</td>
</tr>
<tr>
<td>ADLM (Number of adult males)</td>
<td>• Number of adult males in the household</td>
</tr>
</tbody>
</table>

2 There are other household characteristics (for example, health status of head of household, income, employment and type of employment of head of household, number of prime-age children in the household, and distance of the household from market) which may affect the contribution of a woman in household budget, but we have not included them due to data and time constraint. It is limitation of the present study.
ADLF (Number of adult females) • Number of adult females in the household
HHSST (Household’s ownership of assets) • 1 if the household owns assets, 0 otherwise
HY [Household Income] • Household income per month in Rupees
HHPCY [Per-capita income of household] • Household’s per capita income in Rupees per month
HHLOAN (Household’s availability of loan3) • 1 if the household availed loan, 0 otherwise
HHLOC (Locality of the household) • 1 If the household is urban, 0 otherwise

The contribution of woman through OLS model is regressed against the household characteristics. The results are shown in table-8.2. Majority of the results is consistent with the theoretical implications of women’s contribution in household budget. The following features of the results are worth noting.

Table-8.2 Estimates of OLS for Women Contribution (Household Characteristics)

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Standardized Coefficient Beta</th>
<th>T-Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>174.7923</td>
<td>2.5785</td>
</tr>
<tr>
<td>HAGE</td>
<td>1.8763</td>
<td>0.2876</td>
</tr>
<tr>
<td>HLIT</td>
<td>-1.2715</td>
<td>-2.09753*</td>
</tr>
<tr>
<td>HEDU</td>
<td>-0.1059</td>
<td>-1.6589*</td>
</tr>
<tr>
<td>HEMP</td>
<td>-2.4579</td>
<td>-2.0148**</td>
</tr>
<tr>
<td>HSEMP</td>
<td>3.294</td>
<td>1.6782**</td>
</tr>
<tr>
<td>YHEAD</td>
<td>-1.2381</td>
<td>-1.9264*</td>
</tr>
<tr>
<td>HHSIZ</td>
<td>1.8215</td>
<td>2.2115**</td>
</tr>
<tr>
<td>HHNUC</td>
<td>2.5894</td>
<td>1.9755**</td>
</tr>
<tr>
<td>CHILD</td>
<td>-1.7694</td>
<td>-1.9745**</td>
</tr>
<tr>
<td>IFANT</td>
<td>-1.3668</td>
<td>-1.2659*</td>
</tr>
<tr>
<td>ADLM</td>
<td>-4.5687</td>
<td>-2.8751**</td>
</tr>
</tbody>
</table>

3 Loan utilization includes loaning from formal and informal modes of financing.
8.2 Husbands’ Educational Status

The characteristics of household members play an important role in determining the contribution of a woman in household budget. The life-cycle, education, gender and employment characteristics of the adults in the household are important actors. Specifically the characteristics of husband and head of household play a vital role. In a society like Pakistan, the husbands usually act as head of households and are always the main bread-winner of the household and steer the activities of household members. There are conflicting views about effect of husband’s education on labor force participation of women. Duncan et. al. (1993) concluded that husband’s education level significantly affects the probability of a women’s decision to enter the labor market. Lokshin, et. al. (2000) also concluded that the educational level attained by the head of household positively influence women’s labor force participation (Lokshin et. al. 2000). On the other hand, Sultana et. al. (1994) revealed that husband’s education has negative impact upon work participation of women (see also, Shah 1975). Our study is concerned with the contribution of working women in household budget. It is estimated that husband’s education (as continuous variable as

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>ADLF</td>
<td>-8.1347</td>
<td>-1.0986</td>
</tr>
<tr>
<td>HHASST</td>
<td>-1.6393</td>
<td>-1.4489*</td>
</tr>
<tr>
<td>HHY</td>
<td>-4.1962</td>
<td>-2.3658**</td>
</tr>
<tr>
<td>HHPCY</td>
<td>-1.6538</td>
<td>-1.7895**</td>
</tr>
<tr>
<td>HHLOAN</td>
<td>4.801</td>
<td>1.3941*</td>
</tr>
<tr>
<td>HHLOC</td>
<td>-5.1365</td>
<td>-1.7075**</td>
</tr>
</tbody>
</table>

No. of Observations 1780
R-Squared 0.6864
Percent Correct Prediction 0.6941

* Significant at 5 percent and ** significant at 10 percent.
well as binary variable) negatively affects the contribution of women in the household. The possible explanation in the perspective of informal sector may be that female employment in the informal sector is low-paid and educated husbands have high income due to high human capital so the women from these households are less required to contribute in household budget. Conceptually it is a unique result because generally it is assumed that educated husbands are no-biased towards negative social and cultural norms and encourage the wives for paid-work. The results lead to the notion that contribution of women is economic based. Since educated husbands are likely to earn more income, which results into good economic status of the household and female contribution remains low. Similarly, women from literate husbands (as a binary variable) contribute less in household budget. It again shows that uneducated husbands have low productivity in the labor market so the income level of households remains low and women of the household have to contribute more to household budget. It may also be argued that uneducated or illiterate husbands have larger number of children as compared to educated husbands so the household is more likely to be poor. Furthermore, illiterate head of household and larger number of children are the characteristics of poverty. Poverty of the household is the main factor causing woman to contribute in household budget.

8.3 Husband’s Employment Status

Husband’s employment status is an important factor to determine the woman’s contribution in household budget. Generally, women’s contribution is determined by household’s economic behavior which depends upon employment status of the household and husband’s are responsible for household expenditures. Sultana, et. al. (1994) have found that an increase in male wage rate (alternatively employed hours)
reduces the female’s time market work. If the husband is unemployed and dependent upon women’s income, the probability of a woman to enter the labor market is increased (Khattack and Sayeed 2000) and consequently her contribution in household budget increases. The driving force behind the contribution of woman is to supplement family income that has been eroded by job loss of the husband. In the informal sector the unemployed men often rely on their women. It resented even that the men did not seem to try hard enough to find work. Some times men use women’s income as a substitute to working themselves (Awan and Khan 1992).

Our results have indicated that if the husband is unemployed the contribution of women in household budget increases. It may be explained that in the absence of social security benefits if husbands are unemployed the women’s work is the only source of income, i.e. women are the only earners.

8.4 Husband’s Kind of Employment

The present study is concerned with informal sector working women. The households having informally employed women have the characteristics of informally employed male adults (husbands and/or head of households). In this sector, the men’s economic activity may broadly be classified into self-employed and employees. The both categories have distinct features and household characteristics. The self-employed men with reasonable assets may be richer than the employees. On the other hand, it is evident by a number of studies that self-employed head of households have poor households. We have attempted to explore whether the self-employed or employee’s

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4 The qualitative estimates have shown that for overall areas, the women whose heads of households are unemployed due to illness, addiction, and illegal status are contributing 76 percent of the household budget. For urban areas such contribution is 89 percent.
husbands have more contribution from their wives in the household budget. It is estimated that if the husbands are self-employed the women contribute more in their household budget. The explanation may be that in the case of self-employed households the wives are more likely to involve in economic activity in the form of support and help in household enterprises. The other explanation may be that self-employed husbands have comparatively poor households, so women have to contribute more as compared to their counterparts having employee husbands.

8.5 Income of Head of the Household

Conceptually it is argued that working women contribute their household budget to support the household income. If the head of household have lower wages/income, the woman has to contribute in the family budget. Alternatively the women belonging to households with higher income of head of household contribute less in the household budget. It may be due to wealth effect, which increases the consumption of leisure and reduces the time allocation for work outside the home. Azid et. al. (2001) have estimated that income of head of household is negatively related with women’s work participation. For the married women, the husbands are heads of the household. It is argued that wife tend to earn less when husband’s income is high (Winkler, A. 1998). If leisure is a normal good, then a household will purchase more leisure as its income rises. Traditionally it is expected to be in the form of the wife’s nonparticipation in the labor market. The income effect caused by intra household transfer of income induces her to be non participant. It can be concluded that in lower income group wives have greater probability to join the labor market due to economic need. We have estimated that in the households where the head of household have higher income, the contribution of women in household budget is lower.
8.6 Household Size

Household size is an important variable determining the contribution of women in the household budget. Conceptually, two alternative hypotheses may be postulated about the impact of household size on women’s contribution in household budget. One is that in larger households, there is surplus of labor supply within the households and likelihood of labor force participation of women becomes low so they are less likely to contribute in household budget. The other equally compelling argument explaining the mechanics of larger households is that they have more mouths to feed so women have to be economically active and contribute more to the household budget. In larger households, the family member may support the women in house-keeping and child-care and make her free to employ in economic activity and enhance the economic status of the household. Such type of support is usually provided by elder daughters and mother in-law. In the earlier literature, Alderman and Chistie (1991) have concluded that an addition of child in the household increases the work load of woman for the household tasks and reduces the time for earning activities (see also, Kozel and Alderman 1989,1990). There is negative relationship between the number of hours worked by women and the number of children in the household (Levine and Moock 1984; Duncan et. al. 1993). Mothers in large household are less likely to work, higher the size of the household, less the probability that the mothers work (Lokshin et. al. 2000; Coady 2001). The decision of women to enter the labour market is negatively related with family size (Sultana et. al. 1994; Azid et. al. 2001). All the above literature is concerned with the labor force participation of women.

The other results in the literature are that there is a positive relationship between the number of dependents and contribution of women to household income. Increase in
family size compels women to enter the labour market to satisfy minimum needs of their children (Kazi and Sathar 1986). The young children in the household determine the decision of a woman to enter the labor market positively (Ofer and Vinkar 1983). Our study also supports the same results. Household size is positively related with contribution of women to family income. The reason may be that families are already living at their subsistence level and an increase in the number of household member increases expenditures (addition in mouths to fed) which compel the women to contribute in the household budget.

8.7 Nuclear Status of Household

Family structure is an important variable affecting the women’s decision about work (Mcgrattan and Rogerson 2004). The phenomenon may be interpreted in the manner that married woman has to face different circumstances, if she joined her husband’s house where husbands remained co-resident with their parents and siblings. In such joint family a senior woman usually mother-in-law have an important role in decision-making regarding income, employment and expenditures. The newly married woman’s authority and decision-making power is strongly influenced by her relationship between the senior woman and husband’s relation (Foster 2005). Her mobility may be subject to some constraints imposed by the co-residents which hinder her to have some paid-work. Further, joint residence may reduce her control over her earnings. On the other hand, in nuclear family system, the absence of in-laws and interference produce an edge to the woman to give more time to labor market and contribute more to family income. Further, the distribution of resources within household is influenced by the bargaining position of individuals or groups within the household, and family structure has strong influence on the determination of
bargaining power of individuals. Still there are studies which support the idea that joint family system has positive impact upon hours supplied in paid work (Azid et. al. 2001) because the household chores is shared by other female members who are co-resident.

Nuclear family system has a positive impact on the decision of a female to enter the labor market (Khan 1979; Shah 1975). Women living in a nuclear family participate more intensively in economic activity (Sathar and Desai 1996). To distangle the effect of nuclear or combined family on woman’s contribution in household budget, we have included a binary variable, i.e. whether the household is nuclear or have combined family. Our study has provided a positive relationship between nuclear family system and contribution of women to family income. It explained the fact that although nuclear family has comparative disadvantage as compared to combined family system for labor force participation decision but if the women from nuclear families enter the labor market they contribute comparatively more to the household budget. The further explanation may be that in combined family system the earning makers may be in larger number and consequently total income of the household remains high which decrease the ration of contribution of the women in the household budget. On the other hand in nuclear family the earning member is only the husband so the ratio of contribution of women in the household budget remains high. The further explanation may be that for a woman living in a joint family the income earned by her may be used in meeting the family’s requirements instead of being used on her own welfare which is a disincentive for her contribution in household budget. In nuclear family a woman enjoy greater authority within house-hold and confidence of decision making, as cultural pressures and influences particularly of in laws are less
pronounced. It motivates her to involve in family matters even for welfare of family through contribution. Another line of reasoning to interpret the phenomenon of greater contribution of woman to family income in nuclear household may be that she contributes more to family income because there is no additional working member to supplement the income of the household other than the wife.

8.8 Number of Children and Their Ages

The volume of women’s contribution in household budget may be influenced by demographic factors like number, age structure and gender of the children (see Azid et. al. 2001 for labor force participation of women). Even the activities of the children, i.e. child labor, schooling and home-care activity also determines the women contribution. The infants and school-age children in the household may differently affect the mother’s contribution in household budget as both require different tasks of child-caring. The infants need full-time care and presence of mothers with them in the absence of other household members caring for them, while school-age children comparatively need less time from mothers. An additional requirement by the school-age children may be the help in home-work of school. But the school-age children consume more of the household resources on food, clothing and specifically on education. In this case, mothers may increase household resources by contributing in household budget. As concerned the school-age children, Camps-Cura (1998) concluded that with the beginning of second industrial revolution child labor was replaced by that of women, even by those who were reported as housewives in the Municipal Census. A smaller number of children and their mandatory schooling along with an improvement of women’s position within the factory with respect to men explain this substitution. Duncan et. al. (1993) indicated that the presence of children
in the household significantly affect the probability of women’s labor force participation. In a society like Pakistan, where worth of a woman is attached with the number of children (especially boys) she bears, the number of children in the household exerts an impact on her contribution in household budget. The presence of household tasks on woman due to presence of the children in the family may cause woman to stay at home and may limit her financial contribution in household budget. Furthermore, if the children are involved in paid-work, that is a prevalent phenomenon in poor communities of Pakistan, the contribution by these children substitute the women’s contribution. The number of children may exert pressure on woman’s contribution in household budget in other ways, i.e. (i) large number of children need more household resources which are partially provided by women’s economic activity, and (ii) the households containing a large number of children are more likely to be living in poverty. For example, in Pakistan poor households have 75 percent more children as compared to non-poor households (ADB 2002:3). It may compel the women to contribute more in household budget. Irfan (1983) concluded that female’s labour supply is negatively related with children under the age of five years. Females having a child less than two years of age have a participation rate lower than those having younger children in the age group of 3 to 4 years. Some other studies have proved that children under five years of age failed to have any significant influence on work participation of women (see for instance, Iacovoti 2001).

Our study is concerned with the contribution of women in the household income. We have included the number of school-age (5-15 years) children and number of infants (under five years of age) as explanatory variables for the contribution of women

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5 Though, Sathar and Kazi (1989) concluded that working status of the women affects the fertility and desired family size.
involved in informal sector to their household budget\(^6\). It is concluded that the number of school-age children (in the age group of 5-15 years) have negative impact on the contribution of women in household income. It explained that women contribution is substituted by children income on the assumption that in such households children are involved in economic activities. In the Pakistani culture, the primary responsibility for the mothers is the home-care and child-care while head of household (usually husband) is mainly responsible for financial matters. A woman’s contribution in household budget is determined to some degree by comparing her productivity at home and in the labor market. Infants require constant, so mother’s productivity at home is high in this case than potential returns from outside work. Lokshin, et. al. (2000) concluded that economic incentives in the form of child-care centers by public sector have a powerful effect on the work behavior of women. Unlike the developed economies, there is less opportunity of day-care centers in developing countries. In Pakistan specially, where the women fertility is higher and women have larger number of children, the concept of day-care centers is invisible. So the number of infants in the household is speculated to influence the women’s contribution in household budget\(^7\). We have found that presence of infants in the household decreases the woman contribution in household budget. The explanation may be that the women devote more time for infants within the household so her contribution remains low. As concerned the day-care centers, they are non-existent and if rarely they are existed in urban areas, the informally employed women have no access to these centers due to cost as well as distance. The nature, place and timings of the work of informally employed women varies time to time so child-care centers

\(^6\) The gender of the child also accounts for the contribution of a woman as there exist a gender disparity in the consumption and investment on children. Due to data constraint we have included only the number of children in the model.

\(^7\) The exemption may be where woman is employed in home-enterprise and there is great likelihood of flexibility of working hours, thereby woman’s work does not conflict with child-care.
utilization becomes impracticable for them. Here these women may take the advantage of combined family system.

8.9 Adult Members of the Household

The adult members of the household generally in the combined family system are comprised of the prime-age children, brothers and sisters of the head of household, father and mother of the head of household, and similarly, brother, sister, father and mother of the wife of the head of household. Even sometimes, the spouses of children and brothers and sisters, if they are married. In the nuclear family, the adult members may be the prime-age children. The presence of prime-age children (16 years or above) in the household may differently affect the contribution of women in household income as compared to infants and school-age children. The prime-age children belong to working-age group so they may increase household resources by joining labor force and may decrease the contribution of women. Even the presence of male and female prime-age children may differently affect women’ contribution as female prime-age children have comparatively less opportunity for labor force participation and more consumption expenditures due to be in marriage age group and presence of dowry system. Though it is not exact demarcation between the combined and nuclear family system. On the basis of whether other relatives of the couples are living in the household or not. For instance, if a couple lives with one old-age parent of one of the spouse, that is combined family but if the old-age person never interferes in activities of the couple inside or outside the home, it should be taken nuclear family on the basis of characteristics of the nuclear family system.
The presence of prime-age children (16 years or above) in the household may differently affect the contribution of women in household income as compared to infants and school-age children. The prime-age children belong to working-age group so they may increase household resources by joining labor force and may decrease the contribution of women. Even the presence of male and female prime-age children may differently affect women’s contribution as female prime-age children have comparatively less opportunity for labor force participation and more consumption expenditures due to be in marriage-age group and presence of dowry system.

The other adult members of the household also affect the contribution of a woman in household budget in a number of ways, i.e. (i) through their characteristics like education, gender, age and employment and income status, (ii) through their time consumption in home-care activities and production activities, (iii) their behaviour towards the female contribution in household budget which is basically based on the socio-cultural norms of the household and community, (iv) allocation of resources within the household adult members, and (v) bargaining power of the members of group of members within the household. So brothers and sisters of the couple may differently affect the women’s contribution from mother and father of the couple. Due to data and research constraint we have divided the adult members into two main classes based on gender, i.e. adult males and adult females. We have included in our model the number of adult males and females separately as explanatory variables. The presence of adult members\textsuperscript{8} (males and females separately) has shown negative effect on the contribution of woman in household budget. The phenomenon shows a substitution effect, i.e. the adult member of the household and working woman in

\textsuperscript{8} Other than husband
informal sector are substitutes from their contribution point of view. One surprising aspect is that both female and male adults have same type of effect, i.e. female adults also substitute the contribution of women.

8.10 Assets of Household

The ownership of land and other means of production have been taken as indicators of wealth status of household. In the present study it has exerted a negative influence on contribution of women to household income. It corroborates with the results that higher non-labor income is associated with low female participation in economic activities (Gonzales 2004). The explanation may be that in rural areas the women from landless household display a high level of participation as employees (see also, Begam and Greely 1983; Irfan 1983). But women belonging to medium and large land size household have a very narrow inclination to join work force and lower contribution in household budget.

8.11 Household Income

In the earlier literature it has been proved that it is the household poverty which force the women to enter the labor market (Kazi and Sathar 1986; Khattack and Sayeed 2000; Karim 2001) and to contribute household budget. It’s a low family income which is responsible for women’s participation in market activities (Huth 1978; Ofer and Vinkar 1983). These studies have reported that extremely poor living conditions motivate the women to enter the labor market to supplement their family income. It is the economic necessity at household level which compels women to supplement their income (Sen 1985). According to the luxury axiom of Basu and Van (1998) women in
a traditional society enter the labor market only when the household income falls to very low level (see also, Azid, et. al. 2001).

In the present study an inverse relationship between household income and the contribution of women to household income comes out. If household income rises, women’s contribution to family income declines. To maintain the consumption requirements of the family, cultural rigidities disappear and give way to the women to enter labor market. Here the question of survival arises. The results may be corroborated by the fact that in the last decade, the poverty in Pakistan has increased due to structural adjustment program by government, the share of lowest quintile has declined and income share of the highest quintile had increased (Jamal 2002). Labor Force Survey 2003 has depicted a larger increase in female labor force participation, which may be due to reduction in incomes of the households.

8.12 Household Per-Capita Income

An understanding of the inspiration and motivation of women to contribute in household income is important for analyzing her share of contribution. Aspiration is determined by socio-cultural and economic factors like cultural influences, education, religion, and norms adopted by the community (the value, position and role of women accepted by the community), unemployment level in the region and general standard of living. Most of all women have aspiration for financial improvement of household. In this way household income determines the motivations of women to work and contribute in household budget (see also, Salway 2003 for Bangladesh). Furthermore, the household income is the central indicator of socio-economic standing of the household. Alderman and Chistie (1989) found that an increase in household income
reduces work by women in the market and leaves work at home unchanged. To investigate the perception that in lower-incomes the women contribute more in the household budget, we have used per-capita household income as an explanatory variable in the model. The mean per-capita household income in the sample comes to Rs.770 per month. The poverty fine for Pakistan is Rs.848.79 per-capita, per month (GOP 2004). By this benchmark, on average the households having informally employed women are living below poverty line. In our study a negative association between household per capita income and the contribution of woman in household income appeared. It reflected that poverty induced the contribution of women. The most probable reason may be to achieve a threshold level of per capita income. The results are supported by the estimates of Irfan (1983) that participation rate of females of lowest income group is three times that of the top income group in rural areas and six fold in urban areas.

8.13 Loan Obtained by Household

Evidences have confirmed that access to financial services significantly impacts the lives of the poor. Empirical evidences show that, among the poor, those who participate in micro-financing programs were able to improve their living standard-both at individual and household level-much better than those without access to financial services. For example, the clients of BRAC (Bangladesh Rural Advancement Committee) increased household expenditures by 28 percent and assets by 112 percent. Similarly, impact studies have shown that in poor households with

9 Some studies have used the characteristics of adult members of the household, for example, the educational level and employment status of head of household as a proxy for household income, due to the problem of endogeneity of household per-capita income as explanatory variable. To overcome the problem of endogeneity of household per-capita income, we have used the sensitivity test, i.e. by including and excluding the HHPCY (household per-capita income) in the model, the econometric estimates remained unchanged. So we have included the household per-capita income as an explanatory variable in the model.
access to financial services, children are not only sent to school in large numbers—
including girls—but they also stay in school longer. In Bangladesh almost all girls in
Grameen client households had some schooling, compared to 60 percent of non-client
households.

Access to financial services and resultant transfer of financial services to poor women
can lead women to become, overtime, more confident, more assertive, and better able
to confront systematic gender inequalities. Loaning enable poor women to become
economic agent of change by increasing their income and productivity, accessing
markets and information, and decision-making power. In Indonesia, female client of
Bank Rakyat Indonesia (BRI) were more likely than non-client to make joint decision
with their husbands regarding allocation of household money, children’s education,
use of contraceptive and family size, and participation in community events.

The most common loans for informal workers are micro-credit loans. These loans are
enough for hard-working micro-entrepreneurs to start or expand small business such
as weaving baskets, raising chickens, buying whole sale products to sell in a market,
and buying embroidery machines, etc. Incomes from these businesses provide better
food, housing, health-care and education for entire families, and most important,
additional income provides hope for a better future.

As concerns the women, they are vital to economic and political development. They
are rarely financially independent and often are the most vulnerable members of the
society. Micro-finance is a critical tool for reaching these women and has the ability
to empower and greatly improve the lives of many. Although the sustainability and
profitability of micro-finance enterprises is frequently questioned, it is important to understand that micro-finance is nonetheless a crucial component of household development.

The literature on informal sector has shown that most of the families working in informal sector of Pakistan were highly indebted. These loans were taken from the thekadars or sub-contractors for the purpose of house construction or marriages. These workers were reported to be exploited through payment less than the contracted rates (Awan and Khan 1992; Khattak and Sayeed 2000). These loans are taken for investment as well as consumption purposes. There are lesser facilities of loaning from the formal institutions so majority of the informal workers take loans from informal sector. As concerns the women, it is very rare, that women involved in informal sector activities are taking loan from formal sector or informal sector. We have included in the study, a binary variable representing whether the household is availing the loan (either from formal sector or informal sector financing) or not. The objective to include this variable is to see, if the loan is obtained for investment, then whether the woman is contributing more or less through enterprises and if the loan is obtained for consumption, then whether the woman is contributing more or less in the household budget to take the burden of consumption. It is concluded that women from the households having loans are contributing more to their household budget as compared to the women belonging to household without loan. The explanation may be that burden of the loan on household compresses the household members specifically women to contribute more in their household income. If the loan was utilized for a small business adventure the woman is participating in the business of
the household and if the loan was utilized for consumption, the woman is sharing the consumption expenditures of the household.

### 8.14 Locality of the Household

The labor force participation decision of a woman (and consequently their contribution in household budget) is determined by spatial differences (Fleischer and Baum 1992). The labor market behavior differs in two different types of settlements (i.e. urban and rural) due to different socio economic characteristics and the availability of job opportunities (Karim 2001). The urban and rural women have different participation rates. In urban areas many poor women work in informal units in low paid unskilled jobs having low levels of education. Most are migrants and forced out of rural areas due to lack of local employment options (Karim 2004). In rural areas the distance from market has a negative impact upon return to work due to increase in the marketing and transaction costs. While in rural areas the market for finished products is negligible due to low purchasing power of the rural society, which decreases the probability of a rural woman to work for pay. Further women in rural areas are engaged in agricultural related activities on wages. It is important to note that agriculture is among the poorest paid activities in rural areas so their low wages may reduce their contribution to family income. Another interpretation may be that in urban area the poverty problem is more pronounced then its rural counter part (Jamal 2003). We have used locality of the household as binary variable to analyze whether the urban women are more contributing to household budget or their counterpart rural ones. It is estimated that urban women are contributing more to their household budget as compared to rural ones. The explanation may be the availability of greater work opportunities in urban areas; the cities provide a ready market for
items produced at home; and the poverty problem is more pronounced in urban areas as compared to rural ones (see Jamal 2003, for poverty).
CHAPTER 9

CONTRIBUTION OF WOMEN: RURAL URBAN DIFFERENCES

The socio-economic structure of rural-urban areas differs for whole of the third world. For the informally employed women, the socio-economic status also differs for urban and rural areas. Through quantitative estimates we have expressed the profiles of urban and rural women. In the context of contribution of women in household income, we have analyzed urban and rural areas separately to make a comparison of determinants of contribution of women in household income.

The informal sector is primarily assumed a portrayal of urban and peri-urban phenomenon which is conceptually separated from informal agricultural and non-agricultural activities in rural areas. Few research projects have discussed rural and urban activities within the same, single economy. But urban informal sector workers often share the same individual and household characteristics, reflecting the artificial division of the economy that researchers and policy makers have created, as well as their lack of understanding of the multiple economic roles that individuals play in either urban or rural settings.
The justification for this division in practical terms, is that the urban informal sector is generally more accessible to researchers and thus yields more due to more complete data. Moreover, when studying the informal sector with a view to education and training, it seems likely that greater coverage and efficiency can initially be achieved in the urban setting. While it would be overly ambitious to make recommendations about implementing programs which are feasible in urban, to rural areas. It is hoped that the lessons learned in the urban context may be useful in the formulation of future comprehensive plans for development which may take place in rural areas. To detangle the puzzle we have analyzed the urban and rural areas separately as well.

9.1 Rural Urban Socio-economic Differences

The infrastructural facilities of urban and rural areas are markedly different. Rural population survives under extremely poor conditions deprived of health and sanitation facilities and lack of access to safe drinking water. The portrait of rural people and their surroundings depict pitfall conditions under which they have to survive. Rural woman is hard-working but introvert. Village surroundings are primarily being inward looking with little outside contact. The overall environment depicts suspicion, resisting all outside influence. The capabilities of rural woman, farm-laborers, and craft-woman are extremely under the stress of customs and economic pressure which affect their attitude and aspirations and then preferences for work.

High poverty and stagnation are the main characteristics of rural Pakistan. The rural population is comprised by marginal farmers, tenants, landless farm-laborers and landless rural households. Rural labor market is characterized by under-employment, seasonality of job opportunities, lack of alternative jobs, lack of skill and the existence
of traditional rigidity towards the improvement of existing skill, strong occupational bondage, and absence of agro-based cottage industry, and low access to educational facilities. As a result wages remain at their minimum level, and consequently a substantial portion of rural labor force fulfills only the bare necessities of life.

### 9.1.1 Rural-Urban Migration of Women

In the recent decades, the modernization of villages and mechanization of agriculture has displaced women from their employment. New consumption pattern advocated by media under demonstration effect has increased the desire to have luxuries of life such as refrigerators, washing machines, television, radios and manufactured clothes. Women in the age of teen and early twenties leave their rural base because in urban areas there exists demand for certain kinds of young female services, like domestic services. These migrants concentrate in the services sector. Usually they are single, young, widowed or divorcees. The reasons of their migration are related to financial needs and personal dissatisfaction related with hard rural life. They are sick of hard manual rural life and want to get jobs in cities to escape from their poor positions in the social economic system, which limit their creative participation in economic life and create no opportunities for upright jobs. Sometimes they try to escape themselves from their relatives. These women belong to small farming households. They migrate to urban area in the hope of increasing their contribution to the household income. These migrated young girls work in well-off urban families and enjoy the comforts of life and usually rejoin their homes at the time of their marriage. They become habituated to the new pattern of life and mostly not willing to go back to their natal place. Sometimes they become misfit to their origin if they go back.
On the other hand, women are squeezed out of agricultural production and are pushed into domestic and casual labor. The extent of their migration depends on the degree and nature of female participation in the agricultural system and the nature of labor demand in the urban area. Traditional occupations for rural women are also disappearing without the emergence of new ones. The traditional midwife, masseuses, healers have been replaced by doctors and nurses from the urban areas. Traditional means of earning have been taken over by larger commercial enterprises. Women who are not able to make place in agricultural economy are migrating to urban area in search of alternative employment. Migration affects the both internal and external economic resources that define economic power within the home. The new environment is likely to change intra-household bargaining power. It is also altering the constraints, opportunities and incentives that women face and respond to in their households even in financial terms.

9.1.2 Rural Women and Credit System

In rural countries, women are excluded from family property because land is inherited by males. It re-enforces the economic and social hardships of unmarried, widowed or divorced women. The social relations of gender are equally important for women’s entrance in minor jobs, when they are separated, divorced or have husbands who have taken minor wives. According to World Bank Report 1999 women and girls in poor households bear a disproportionately high burden of the share of poverty. It is due to their deprivation of productive assets and lower endowments of land in rural areas as compared to men, and very limited access to economic options and social services. The existing financial system requires financial worthiness, which means collateral and accessibility for which rural women are deficient. Lack of access to the credit is
the biggest constraints in the enhancement of productive potential of rural poor women and ultimately their contribution in household budget.

The extent of credit in low income households is also used to meet consumption needs. For informally employed households, the proportion of expenditures met from borrowing from formal sources is much lower than that from informal sector. The bulk of such credit is assumed to be obtained at zero nominal rate of interest. Usually the borrowing comes from shop keepers, relatives or friends. In low-income households the village shopkeeper provides a convenient means of consumption smoothening. Rural households heavily rely on shopkeepers credit to maintain their consumption levels.

9.1.3 Feminization of Agriculture

Labor force participation gives autonomy of mobility to women by improving their perspectives and attitudes. Economic emancipation comes from earning money, allowing women to take control of their lives, and make exposed to the outside world. In rural areas, the issue is feminization of the agricultural labor force. Manual labor is the largest source of employment for woman workers. Rural manual workers are the poorest member of the labor force and their work schedule is subject to under-employment, insecurity of employment, and seasonality of employment. The most disadvantaged cluster of the labor force is reflected by the dominated by woman. This phenomenon is reflected by the increase in the proportion of female agricultural workers in total female labor force or an increase in the ratio of female agricultural workers to male agricultural workers. It showed that agriculture sector in Pakistan is largely supported by woman manual workers. These differences instigate us to
compare the determinants of contribution of women in household budget for urban and rural areas of Pakistan.

9.2 Quantitative and Econometric Estimates of Rural and Urban Areas

The quantitative estimates have been done in chapter 6, where rural-urban comparison has also been made. Some distinctive comparisons are presented here as:

- The income of the informally employed urban women is two times higher than the rural women and the income of the urban households to which the women belong is 18.67 percent higher to the rural households. It shows that even in the informal sector the rural-urban disparity is significantly high (see table 6.1). Moreover, only 4 percent of the urban households have income less than Rs.1000 but 9 percent of the rural households in this category (see table 6.5).

- The mean household size in rural areas is 0.2 persons per household larger than urban areas which shows the household pressure on household income. That is why, 87 percent of the households are living below poverty line in rural areas as compared to 78 percent in urban areas (see table 6.1).

- A strange estimation has been emerged on account of work status of head of household and employment status of adults in the household due to illness, addiction and illegal status, i.e. 40 percent of the head of household in urban areas are not working as compared to 35 percent in rural areas (see table 6.1) despite the facts that there are more employment opportunities and higher wage rates in urban areas. It shows that urban head of households are more dependent on their women that is supported by the facts that in such households women is contributing 86 percent of the household income as compared to 70 percent of the rural women (see table 6.15).
• As concerns the unemployment of adults in the household due to illness, addiction and illegal status, 42 percent of the adults in such urban households are unemployed as compared to 35 percent in rural areas (see table 6.1). The possible explanation may be the prevalence of drugs, drug trafficking and illegal activities of adults in slums of the city.

• In the urban areas 45 percent of the women are illiterate while in rural areas they are 55 percent (see table 6.6). Their contribution in household income is 21 percent and 18 percent respectively (see table 6.18).

• The daily working hours of informally employed women differs significantly, i.e. average daily working hours for urban areas are 7.2 as compared to 6.7 for rural areas (see table 6.1). similarly, 8.5 percent of urban women are working daily 9-10 hours but only 3.2 percent of rural women are doing the same span of time (see table 6.12).

• There exists a high disparity among urban and rural women regarding their empowerment. In rural areas only 12 percent women participate in decision of family issues against the 20 percent in urban areas. Similarly, only 10 percent control their income in rural areas against the 30 percent in urban areas (see table 6.2 and 6.3).

• The living conditions of the households to which informally employed women belong are harsh for both urban and rural areas but comparatively they are hard for rural households, i.e. 40 percent of the households are living in kacha (mud) houses in rural areas; 40.61 percent of rural households are living in one room house as compared to 30.34 percent in urban areas; only 34 percent households are electrified in rural areas as compared to 82.65 percent in urban areas; only 39.62 percent rural households have separate bathroom in the
house as compared to 89.26 percent in urban areas; and 38.96 percent of the households have separate kitchen in the household in rural areas as compare to 53 percent in urban areas (see table 6.7).

- In the health status the incidence of minor diseases and work effects on working women are higher in rural areas as compared to urban areas (see table 6.10). On the access to health facilities 65.6 percent of the informally employed women in rural areas go without treatment while 31.4 percent of such women are in urban areas (see table 6.11). It explained the severe characteristics of informal sector in rural areas.

We have segregated the data for urban and rural areas and regressed contribution of women in their household budget against the variable regarding women characteristics and household characteristics. To make a comparison of urban and rural households, we have separately applied OLS to urban and rural areas data. The econometric estimates are shown in table 9.1 and 9.2 for urban and rural areas separately.

Table-9.1 Estimates of OLS for Women Contribution in Household Income (Urban Areas)

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Standardized Coefficient Beta</th>
<th>T-Values</th>
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</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>165.94</td>
<td>2.9561</td>
</tr>
<tr>
<td>WAGE</td>
<td>1.9261</td>
<td>1.3941*</td>
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<tr>
<td>WAGESQ</td>
<td>1.008</td>
<td>0.0982</td>
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<tr>
<td>WLIT</td>
<td>0.4948</td>
<td>1.9762**</td>
</tr>
<tr>
<td>WEDU</td>
<td>0.2610</td>
<td>2.9265**</td>
</tr>
<tr>
<td>WMAR</td>
<td>5.2196</td>
<td>2.1651**</td>
</tr>
<tr>
<td>WSEMP</td>
<td>1.4678</td>
<td>2.8245**</td>
</tr>
<tr>
<td>WHEAD</td>
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<td>1.8965**</td>
</tr>
<tr>
<td>Variable</td>
<td>Coefficient 1</td>
<td>Coefficient 2</td>
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<tr>
<td>-----------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
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<td>1.3874*</td>
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<td>WHEAL</td>
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No. of Observations 937
R-Squared 0.7318
Percent Correct Prediction 0.7456

* Significant at 5 percent and ** significant at 10 percent.
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No. of Observations 843
**R-Squared** 0.6851

**Percent Correct Prediction** 0.7125

* Significant at 5 percent and ** significant at 10 percent.

### 9.3 Rural Urban Analysis of Contribution of Women

Majority of the explanatory variables have shown the coefficient with same sign for both urban and rural areas. A few variables have shown insignificant results for rural areas but significant results for urban areas and vice versa.

#### 9.3.1 Educational Level of Women

Ordinary least square of the present study has shown that education of the women influences their contribution in urban areas (as well as overall areas) but it does not affect in rural areas. The explanation may be that there is mass illiteracy in rural areas due to lack of schooling along with cultural norms there are resisting female education.

#### 9.3.2 Mode of Employment of Women

The mode of employment of woman as an explanatory variable has shown significant results for urban areas while insignificant for rural areas, i.e. self-employed women in urban areas (as well as in overall areas) are more contributing to their household income as compared to employees. For the rural areas the results remained insignificant. It explained the notion that there are more opportunities for self-employment and income generation in urban areas.
9.3.3 Health Status of Women

Health status of women has shown significant and positive coefficient in determining the contribution of women in urban areas but insignificant in rural area. The interpretation may be that in urban area majority of the women enjoy better health status due to easy access to health-care facilities, and due to more awareness about health and sanitation. Mostly women’s health problems are related with their reproductive system. Greater provision and accessibility to various contraceptive methods in urban areas has enhanced the health status of women. In other words when a woman realizes the necessity to regulate fertility, it is basically her ability to go a clinic, which is in greater access for urban woman as compared with rural ones. Urban woman is enjoying good health status and contributing more to household income.

9.3.4 Husband’s Characteristics

The strange results have been emerged regarding husband’s characteristics on women contribution in household income. Generally, it is assumed that husband’s authority strongly holds the women in rural communities as compared to urban ones. Our results have shown that in rural informal sector, not only a single one characteristic of husband has shown effect on women’s contribution. The explanation may be the existence of mass unemployment and illiteracy of men. The comparatively lower incomes and wages, lesser level of skills and technical knowledge, and unequal distribution of income and wealth also contribute to the ineffectiveness of the husband’s characteristics for their wives contribution. The poor infrastructure for investment, the lack of awareness, lack of access to market and cities, and unavailability of mass media also make the male adults ineffectiveness to financial matters of the women.
Further, reasoning may be that women belonging to low income group in rural areas enjoy greater autonomy in the context of mobility as compared to its urban counterpart. They work side by side in the production of subsistence goods. They are more mobile in social and public domains and indulged in productive activities in which sex segregation is less. Furthermore this group of females does not bear purdha, which secludes women, restricts them from moving freely into public places, and reinforces high standards of female modesty. It has been observed that more urban women in low income occupations bear purdha than its rural counterpart. Physical segregation of sexes in urban area limits women’s physical mobility and social contacts, while in rural areas women are indulged in entrepreneurial activities outside their homes, which involve public interaction, though it necessitates the presences of males.

9.3.5 Household Size

An important variable that may affect the contribution of a woman is household size. Two alternative possibilities may be about the impact of household size on women’s contribution in household income. Firstly, in larger households, there is surplus of labor supply within the household and a woman needs less to contribute in household budget. Secondly, a woman will contribute more to the household budget because there are more mouths to feed. Our rural-urban comparison of contribution of women explained that urban women belonging to larger households are contributing more to their household budget but rural women belonging to such households are contributing less to the household budget. It reflected the difference between socio-economic and cultural differences of urban and rural community. One of such
differences may be the combined family system in rural areas, where a number of married couples share the same cooking and housing facilities. It increases the household size. In such households the financing to household is also done collectively. The children and adult household members substitute the contribution of women. On the other hand, in urban areas majority of the households have single married couple, the increase in household size means the increase in number of children. So urban woman has to contribute more to her household budget in larger households. The increase in the household size specifically of the informally employed households make the household to live at subsistence level while the cost of living are also comparatively higher in cities so women has to contribute more in the household. Another explanation may be that there are more unemployed adults in urban households due to illness, addiction and illegal status as compared to rural households (see table 6.1). The urban women in such type of larger households will have to contribute more in their household budget.

9.3.6 Adult Female Members of the Household

The combined family system in more prevalent in rural areas and in such families the adult members are generally comprised of prime-age children, brothers and sisters of the head of household, father and mother of the head of household, and similarly, brother sister, father and mother of the wife of the head of household. Even sometimes, the spouses of the children, if they are married and brothers and sisters of the main couple (head of household and his/her spouse) because the members of the combined family system. The presence of such members in the household may affect the contribution of a woman in household budget, by their characteristics like age, gender, work status, employment and income level, and their time consumption in
home-care activities and production activities. Our comparative analysis of urban and rural areas have shown that adult female in rural household have affected the contribution of a woman in household budget negatively but in urban households adult females have shown no significant impact upon the phenomenon. It explained that adult females have substitution effect of contribution of women in household.

9.3.7 Loan Availed by Household

For the informal sector economy, the micro-credit from both formal and informal institutions are more common. These loans are enough for hard-working micro-entrepreneurs to start or expand small businesses such as live-stock, buying whole sale products to sell in a market, and buying embroidery and sewing-machines, etc. Incomes from these businesses provide better food, housing, health-care and education facilities for entire families. Most importantly, additional income provides hopes for a better self-employment. On the other hand, for the workers of informal economy such loans are also utilized for consumption purpose or to face the financial crisis of household in emergency. For instance, in the case of sudden injury or illness of the members of the household, the marriage of females in the household and sometimes for litigation, that is part of the rural community tradition. But the loaning sources are different for urban and rural areas. In the urban community loaning facility is mostly provided by formal institutions while in rural areas the loaning is done by both formal and informal institutions. For the poor communities, land-less households and the informally employed individuals major part of the loaning comes from informal institutions like, shop-keepers, thekedars, commission-agents, relatives and friends. Along with this difference, the loan utilization purpose is also different.
for urban and rural communities. In rural communities most of the loan is utilized for consumption purpose.

In our study, the utilization of loan by the household has shown positive impact on contribution of women in household income but it has shown insignificant results for rural households. It may explain a number of phenomena, i.e. opportunity of loan availability for informal sector in rural areas is lower as compared to urban ones. The loan utilization in rural areas is for consumption purpose so most probably the loan is availed from the informal institutions. The explanation may be that the loans are of such kind in rural areas that do not enhance women’s income and their contribution in household income. The other possibility may be that women’s activities remain non-monetized.
CHAPTER 10

SUMMARY OF RESULTS AND POLICY

RECOMMENDATIONS

The model and estimates for overall, urban and rural areas presented in the previous chapters allow us to reach some conclusions about the contribution of women in household budget. The study is concerned with informal sector working women of Bahawalpur. The econometric results, however may not be generalized to national level, despite the fact that typology of working women varies from area to area. In this chapter we will give summary of the results and policy recommendations.

The conclusion may be classified into two categories based on qualitative results and econometric results. The econometric results are regarded with overall areas, urban and rural areas.

10.1 Summary of Results

The main points regarding qualitative results are as:

- The monthly income of the working women in informal sector is very low, i.e. Rs.1560 per month that may put these women below poverty line. The rural women are further lower at Rs.930 per month as compared to Rs.1950 of
urban women. These women work 7 hours per day, while urban women work 6.7 hours per day though working hours vary from profession to profession.

- It is estimated that 82 percent of the households from which women working in informal sector come are living below poverty line. Again the rural households are more disadvantaged, i.e. 87 percent of such households belong to rural areas as compared to 78 of urban areas. In such households women are contributing 39 percent of household budget, while 43 percent in urban households and 33 percent in rural households.

- There are 37 percent households where adult males are unemployed due to illness, addiction and illegal status. The contribution in women in such households is 76 percent. Similarly, there are 12.2 percent households where females head the household, and in such households the contribution is 78 percent. And there are 38 percent households where heads are not working and women are contributing 78 percent of the household budget. These three types of households are absorbing maximum of women contribution.

- The group of women which are involved in dress-making in the job of embroidery/silma sitara/resham ka kam, chunri-making/thappa-making/makash and stitching/sewing/crocheting/tie and dye/tarkashi consist of 30.2 percent of the sample and on average contributing 30 percent in the household budget. This group represents the cultural draft group of Bahawalpur.

- For overall areas, 34.98 percent of the households are living in one-room houses, where as the family size of the household has been estimated as 7.6 persons per household. Similarly only 56.67 percent of the households have bathroom in their houses.
• The health status of women has been found unsatisfactory. For overall areas, 29 percent of the women were found suffering from cold/cough/fever. The second most frequent symptom was back pain, i.e. 27 percent women reported to be suffered from it. At the third comes the exhaustion, i.e. 21 percent of the women complained of it. Along with poor condition of health, it is more aggravating that 45 percent of the women go without treatment.

The summary of the econometric results is presented here as:

• Education of the women has shown a positive impact on income contribution, so the female literacy is an important policy option for enhancing household income.

• There exists a positive relation between age of the woman and her contribution in household income.

• Married women are contributing more to their household income as compared to single women

• Women who are head of their households are contributing more to their household income as compared to other women.

• The ownership of assets by the women impacts positively their contribution in the form of non-asset earned income. It has an important policy implication. But the ownership of assets by the household negatively impacts the contribution of women.

• The poor health status of the women decreases their contribution in household income. The social security benefits to the informal sector workers as policy matter require attention of the policy makers.
• The husbands’ educational level negatively affects the contribution of wives in the household income.

• Women whose husbands are unemployed or self-employed contribute more to their household income. It reflects that poor economic status of the household enhance the contribution of women in their household income.

• Women from the households whose heads have lower income are more contributing to their families income.

• Household size positively impacts the contribution of a woman in her household income.

• In the nuclear families, the women working in informal sector are contributing more to their family income.

• There exists a positive relationship between per-capita income of the household and contribution of women.

• The presence of infants in the household decreases the women’s contribution in household budget.

• The number of the school-age children has shown a negative impact on the women contribution in household income.

• The presence of adults (male and female) has shown negative effect on the contribution of women in household budget.

• The women from the households having utilized loans are contributing more to their household budget as compared to women belonging to households without loan.

• Urban women are contributing more to their household budget as compared to rural ones.
• In the rural areas, all the characteristics of husband have shown insignificant results.
• The urban women form larger households contribute more in household budget but rural women form such households contribute less.
• The presence of adult females in urban households results into increase in contribution of women but presence of such females in rural households decreases the contribution of women.
• The availability of loan to household impacts the contribution of urban women only but for rural women the results are insignificant.

10.2 Policy Recommendations

The level of poverty, population growth, adult unemployment, and lower adult literacy rate, indicate that the contribution of women in household income is high in relative terms but in absolute terms, it will continue to be low in the country in the 21st century. The policies and programs designed to increase women income and income contribution in household need efforts through coordinated network of government, NGOs and international donor agencies. Moreover, it is an issue that should be the focus of programs and policy frameworks ranging from health, education, to labor markets, capital markets, and to social security etc. Hence alleviating this problem requires multi-sectoral, coordinated solutions.

The enhancement of contribution of working women in informal sector to their household income requires various types of actions. Effective poverty reduction policies, adult literacy programs, provision of adult employment opportunities, population control programs and provision of free basic education specifically
technical education are urgent and critical. Some detailed policy recommendations are presented in this section.

10.2.1. Data Collection: A main characteristics of work in the informal sector is its invisibility to the policy makers partially because of its vast diversity. Invisibility is caused because mostly the informal sector women workers work at their homes. National sample surveys covering the work of women workers at their homes are very limited. Reliable and comparable data on the extent and nature of working women is a key element in the effort to combat this problem. The effective solutions cannot be fashioned without such information. Collecting official statistics and other quantitative data are important in determining trends and patterns and revealing the magnitude of working women, but this must be accompanied by in-depth analysis of the situation of working women in informal sector. The more complete and more accurate data requires improved survey methodologies and knowledge on how to collect female labor force data relevant to policy formulation. One of the best ways to improve knowledge would be to undertake statistically sound methodological surveys of female labor force. Survey by Anker et. al. (1988) in India and Anker (1995) in Egypt for working women is a good example.

10.2.2. Research: Our research mainly focused on the contribution of working women in their household income. More research is needed on little-known but important aspects of women working in informal sector in Pakistan, such as the impact of policies and programs of action to enhance the women income; the economics of working women; the effects of incentives (education facilities, credit provision, technical training, marketing strategies etc.) and disincentives (lack of
implementation of minimum wage legislation in informal sector, codes of conduct for female workers, etc.) on the work participation of females; women employment and economic and social policy; and the links between women employment and social values.

10.2.3. Reducing Poverty: Majority of the determinants we analyzed are directly and indirectly associated with the incidence of poverty. Therefore, poverty and poor women’s need for income would have to be addressed through increased productivity. For example, credit provision, technical training, marketing facilities, minimum wage implementation, may increase productivity and income of working women in informal sector. If minimum wage legislation is maintained, it should be further ensured that the increase in wages be realistic.

Women as head of households have been found to contribute more in household budget. As female-headed households are more vulnerable to poverty so this group of women be considered in policy formation for poverty reduction.

10.2.4. Sustained Economic Growth: Our study has shown that households having informally employed women are living in poor conditions. It is quite clear that sustained economic growth is essential for improving the living conditions of these households. It is important to identify the preconditions for growth.

10.2.5. Economic and Financial Incentives for Rural Community: Introduction of village-centered development program may not only be a tool to enhance women contribution in household income but to combat rural urban migration. Rural urban
migration is a growing problem in our country today. Hence women should be provided necessary economic alternative for the subsistence of the family in their own villages. With the help of local government and community co-operation, jobs of higher wages/income for women can be created. The sustainable rural development program will ultimately help the local people in their economic uplift, so they would be motivated to engage women in earning activities.

10.2.6. Promoting Education and Training: Education plays a vital role for the enhancement of income not only of women but also of men. We have seen that education of informally employed women increases their contribution in household budget. But an overwhelming majority of women in our society particularly women from informal sector households is deprived of the right to education. Those who happened to be in the school for the time being are also dropped out or pulled out due to various economic, social and cultural reasons. In this context, the government can intervene for the establishment of educational and training institutions for women, so that they can increase their productivity and contribution. Furthermore financial incentives can be provided to make adult-education schools more relevant to the needs of women workers in informal sector. There is a need for government to get involved in informal sector training of women in order to help eliminate the occasional abuse of workers and trainees that sometimes arises, as well as the possible institution of government regulations as to the duration of training contents.

10.2.7. Non-formal Education: Along with promoting education, it would be to encourage non-formal education and training programs. To do this it is first important to fight the perception that education and learning take place only in formal settings.
It usually looks quite different from formal school settings, learning can occur in very diverse settings in the informal sector. It is suggested to include in developing training programs for the women workers in informal sector:

- Keep the curriculum simple, emphasizing subjects directly relevant to daily survival
- Use examples and analogies from the trainee’s world
- Proceed at their pace and capacity and give them personalized attention
- Create a supportive environment that helps inculcate solidarity among members of the group.

10.2.8. Eliminate Gender Disparities in Education: Girls’ education will most probably continue to lag behind boys until greater social value is attached to the economic activity of women. The education should be gender sensitive and the worth of women’s education should be recognized in the society. The gender disparities in educational opportunities have grave implications for social development. However even though the situation is extremely serious in the country, it is also seen that increasing access to education for boys in the long run helps girls to participate in schools, because boys come to value education for their sisters.

10.2.9. Change in Apprenticeship System: The traditional apprenticeship system for women remains the most common institutions for educating women in the informal sector. There are possible benefits to changing the apprenticeship system to make it more responsive to the needs of present and future apprentices in the informal sector. Any change however, should be carefully chosen to take into account the strong social role that apprenticeship plays for women in Pakistani society. It should be encouraged
to establish national training capacities and include both private and public sector participation. Any public-private collaboration should first identify priority training needs, as well as institutional structures for unifying the sector and the different vocations.

10.2.10. **Providing Credit for Poor Households for Self-Employment:** Programs can be designed to provide credit to poor households without collateral, so that they can establish their own enterprise. Because of gender related socio economic constraints, women have limited access to financial institutions which provide credit facilities. The landing procedure must be simplified with minimum documentation formalities. The financial support will be provided on project bases with pre-investment counseling and post-investment follow up support services. Credit facilities combined with short term training and supervision should focus on the special needs of the informally employed women. Supervision will continue until repayment is completed. Banks should provide loans through NGO’s.

10.2.11. **Property Rights of Productive Resources:** National authorities should ensure that economic growth results in creation of productive and gainful jobs for men and women. The expansion of infrastructures in rural areas through intensive-work methods is one important way of achieving this. Yet another useful method to increase productivity and income and specifically contribution of informally employed women to provide the poorest men and women with propriety rights of productive resources which will ultimately provide them credit, improved production techniques and a better access to commercial networks. After having assets, the women may explore several business ventures. There is a wide scope in small
enterprises such as handicrafts, pottery, vocational schools, embroidery centers, spinning, ginning and garments factories. Retail shop is also a business, which women can easily run, provided they are given financial support and training.

10.2.12. **Legal Intervention:** Laws related to wage employment are present in Pakistan, but there is an urgent need to implement them in true letter and spirit. An important source of protection for women in informal sector is the improvement in economic conditions and economic opportunities that will strengthen their bargaining power. Government is requested to prioritize on its political agenda the subject of women employment.

Pakistan has ratified a number of international conventions regarding rights of women. Based on these conventions, Pakistan has to make legislation about female employment. Political commitment is required to implement these conventions. In this regard legal protection is very much essential. Pakistan is a member of ILO since after its independence. It has ratified the Equal Remuneration Convention of 1951 which elaborates that equal remuneration for work of equal value should be ensured without discrimination based on sex. This convention is a step forward for women who get paid less for the same work compared to men. But here lies the problem of identification of work in which women workers are engaged. Women working in the informal sector remain out of official statistics as workers, because mostly they work within four walls of homes and there is a complete absence of labor loss that applied to the home as a work place.
Pakistan still has not ratified the Home Work Convention (ILO 1996) which states that the laws concerning the working conditions laborers also apply to home-based workers referred as informal sector workers. It ensures protection in the field of occupational safety, abolition of the use of harmful substance for health in production and maternity protection. The constitution of Pakistan 1973 elaborated that the state shall ensure the elimination of all form of exploitation and discrimination based upon sex, cast, creed, or race. These provisions of the constitution specifically protect rights of women.

The Maternity Benefits ordinance 1958 could have significance for informal sector women workers but its scope is limited because of the definition of the worker and work place which keep the informal sector women workers outside the purview of these laws. The provision of pension given by the Employees Old Age Benefits Act and the Provincial Employees Social Security Ordinance give the facility of benefits of sickness, maternity benefits and educational facilities for children require contribution from employers and the registration of workers. Government labor policies have worked in favor of industrialists and labor has been excluded from policy formulation. The existing legislation is not often applied as practice so there is a need on the part of the government to form legislation, which not only favor informal sector women workers but also ensure their application.

10.2.13. Social Mobilization: One of the reasons of lower socio-economic status of the household, when informally-employed women come in the adult unemployment due to illness, addiction and illegal status. Furthermore, there exists a rural-urban disparity. These households largely depend upon women income. The women’
incomes are low due to lack of perception, information and awareness. This is particularly widespread in illiterate families and informal sector households. For this reason, it is needed to initiate efforts for a social mobilization, such as, adult education movements, female education movements, social scientists organizations, social activist organizations and NGOs. Media can also play a very important role for social mobilization through advocacy programs and campaign to increase women income and elimination of gender disparity in wages.

10.2.14. Awareness-raising and marketing support: To motivate women to enter into micro enterprises, awareness of business opportunities and support services offered by both government and non-government organizations should be targeted at women. Priority should be given to information and awareness-raising activities related with work participation of females. Entrepreneurship courses should be included in the syllabi of female secondary schools. Counseling services should be provided to women entrepreneur in marketing of the products produced by them. Handicraft marketing boat might be set up to promote products produced by women, at home and abroad. Female entrepreneur should be encouraged other than women oriented, traditional stereo type industries especially in rural areas, taking account of market demand. Products should be diversified and modified on dynamic basis keeping in mind the changing scenario of fashion in national and international markets as a matter of policy government can initiate to determine the market for the products of female entrepreneurs. The import and sale of counterfeit items should be banned. In addition, a number of small-scale ventures, can be started at local community level and with different groups of women, aimed at providing technical education and training to them and rescuing them from low-paid situation, and more importantly by
demonstrating that it is possible to change attitudes of employers and female work values.

10.2.15. Creation of a Welfare Fund: Informal sector workers are always at the risk of future uncertainty. The nature of the work makes them extremely vulnerable which require protection and safety through adequate policy attention they have the right to enjoy old age pension, group life insurance against death or disability and child-care facility for this purpose a welfare fund can be form by imposing a levy on the commodity produced by the woman worker the providence of child-care facility will allow the labor market and enable younger girls to join the school, who otherwise look after the younger siblings. The life insurance scheme would cover the family in the case of the death of a bread winner in the family, old age pension will provide future security and protection. The government’s role is to organize such activities, to structure the rules and regulations of such funds, and to ensure the collection of levy. To increase the welfare of the informal sector workers, a registration board can be created which will register the all informal sector workers. The registration card will be issued to the workers which can be used as an identity to claim benefits. The woman workers can be registered with the employers, who will be responsible to provide all social security benefits to their workers.

10.2.16. International Co-operation: International organizations can also play a part in changing social attitudes towards work participation of women through their technical assistance. The lower value of women employment is a matter of international concern today. It cannot be resolved without a strong political commitment and co-operation from the international community. However, it is
dangerous to intervene without enough knowledge and understanding of the socio-economic realities. In this context, the principle of “pressure and partnership” should be followed, so that the government can be properly motivated to cooperate with the international initiatives. In the meantime, it needs to be made very clear that the international support and solidarity should be in conformity with the local social structure. Education, technical education and training should be the main area of the international support.

10.2.17. Movement for Working Women Rights: The women are restricted to participate in labor force due to a number of socio-economic and cultural factors. If such factors are not properly analyzed, the bottom of the problem cannot be reached at and the strategy planning developed for the targeted working women will be ineffective in practice. Principally, we think that informally employed women should get their rights of education and training, health and nutritional-care, standard wages, and old-age benefits. The households especially of lower classes and from illiterate, ignorant and rural background should be educated about working women rights. The life cycle of informally employed women has shown that their contribution in household budget increases by increase in age but decrease after some years. It may be maintained by social security benefits, standard wages, benefits of annual increments, health and nutritional care and benefits like pension and employer’s old-age benefits.

10.2.18. Fertility and Family Planning: It is clear that a high proportion of working women become from larger households. This demonstrates the dynamic interaction between informally employed women and demographic variables. Therefore,
controlling population growth continues to be a major policy issue for Pakistan as well as for low-income countries, as it results into enhancing per capita incomes as well as increasing female labor force participation.

**10.2.19. Role of NGOs:** Many experiences of developing countries have proved that only government cannot increase the productivity and income of the women successfully without an active participation of people. Therefore, in order to implement education, health, and income generation program, the government should develop partnership program with the NGOs. NGOs will not only share the burden of the Government, but also bring effectiveness in the policy implementation process. For example we have seen that women from the households having loan are contributing more to their household budget as compared to the women belonging to households without loan. Similarly, the poor health status of the women has adversely affected the contribution of women in household budget. The micro-finance availability to informal sector households and women’s health facilities may be implemented by NGOs.

**10.2.20. Collective Action:** Collective action by all informal sector women workers are required to raise their earnings. In our study there is virtually no organization working with women to assist them to enhance their remuneration and improve their working conditions. Collective action and organizational membership will have a strong impact on women’s productivity. Poor women do not know the way to fight for their rights. Collective efforts with competent and motivated leadership can go a long way to improve their conditions. These organizations will empower the women by improving their ability to cope with the market and non-market institutions such as
state, judiciary, marketing, credit and insurance. Women will be able to exercise their social and political rights, improve their entrepreneurial skill through training, availability of material inputs credit and extension services. These organizations will train the poor women to function as local planers and to work as leader, having decision making authority. The empowerment of women through organizational institutions will help to change the policies and transform the institutions that dominate women’s life. SEWA (Self Employed Women Association) and WWF (Working Women’s Forum) in India is a good example. They have played a pivotal role in protecting the rights of working women and providing them social security. SEWA has introduced several social protection measures which have benefited the informal sector woman workers in Work Security. Insurance scheme has provided some protection against the crises that continuously threat the lives and work of the members.
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# Annexure A

## Questionnaire

Form No…………………….
Household No. ………….
Cluster No. …………….
Urban / Rural

### 1. Head of Household

1. Name.  Age  Male / Female  
2. Working Status  Y / N  
2a. If No, why  without any reason / illness / addition / no proper job / illegal status  
2b. If Yes,  employed / unemployed  
2c. If employed  self-employed / employee  
3. Kind of employment  household enterprise / private employee /  
   government employee / agriculture / laborer  
4. Income ………………  Rs./month  
5. Earned income ……………………  Non-earned income ……………………  

### 2. Working Woman

6. Name.  Age  Education …………years  
7. Marital Status  single / married / widowed, separated, divorcee  
   If married, behavior of husband  oppressive / neutral /caring  
   Have you ever been beaten by your husband in the last 6 months  Y / N  
8. Kind of employment  self-employed / employee  
9. Profession or job  ………………………….  
10. How much long you have been working ………………. Years  
11. Income ……………………  Rs./month  
12. Mode of payment  cash / kind / cash and kind  
13. Ownership of assets  Y / N  
   If yes, what are the assets ………………….  
14. Daily working hours:  you start work at …………… and end at ……………......  
15. How you spend your income  to meet household expenditures / education of your  
   children / daughter’s dowry / spend on your self / to retire the debt  
16. Who control your income  yourself / head of household¹ / collectively by yourself  
   and head of household  
17. Health status:  Are you suffering from any of the following symptoms, weak eyesight  
   / cough and fever / joint pain / limbs and back pain / watering eyes / skin  
   problem / respiratory problem / exhaustion / leucorrhoea / any other  

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¹ It includes father, mother, husband, father in law, mother in law.
18. Decision making within the household: Do you participate in decision-making within the household in the following: children schooling or other activity of children / children marriages / purchase of household items / any other matter
18. Have you availed the loan Y / N
19. Housing condition: you are living in the household rented / owned / other ............
19a. No. of rooms in the household .................
19b. Whether the household is kacha / pacca / semi pacca
19c. The house is electrified Y / N
19d. The house has bath room Y / N
19e. The house has separate kitchen Y / N
20. Fertility behavior: No. of children ............ Male ............ Female ............
   No. of infants\(^2\) .................
   No. of school-age children\(^3\) ......... Male ............ Female ............
   No. of prime-age children\(^4\) ............. Male ............ Female ............
21. Husband: Husband’ name ......................... Age .........................
22. Education ....................... years
23. Working status Y ? N
23a. If no why without any reason / illness / addiction / illegal status / no proper job
23b. If yes employed / unemployed
23c. If employed self-employed / employee / household enterprise
23d. Kind of employment private / government employee / agriculturist / laborer
24. Income ............... Rs./month.

3. Household
25. Family system Combined / Nuclear
26. Household has the assets Y / N If yes what are the assets ..................
27. Household availed the loan Y / N if yes the source of loaning ............
28. Household size (No. of family members) ............
29. No. of adults\(^5\) in the household ............ Male ............ Female ............
30. No. of working adults ..................... Male ............ Female ............
31. No. of old age members\(^6\) ............

\(^2\) Up to 5 years of age
\(^3\) 5-15 years age
\(^4\) More than 15 years of age
\(^5\) Adults of working age group, i.e. 16-60 years
\(^6\) Above than 60 years of age.