

Understanding Employment Situation of Women: A District Level Analysis

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Abstract

Women's role in economic development is vital and this role is translated into development process through labour market. However, policy maker need proper analysis of labour market. This paper provides analysis of key labour market indicators of Faisalabad. The analysis of key indicators e.g. employment status, sector, education and wages exhibits that women are under-represented in the labour market as their labour force participation is three times lower than male. Women are largely concentrated in agriculture sector as contributing family workers and in the informal economy with higher risk of vulnerability. Wages of women for the same job is significantly lower than men, they lack appropriate skills and education to compete in the labour market and ultimately end up employment in agriculture and informal sector with little or no social security. They also face higher degree of risk of being unemployed.

Keywords: Labour Market, Women, Employment Status, Labour Force Participation

1. Introduction

The interest in elevation of women status in Pakistan is deep. One of the major public policy concerns by the Government is to bring women in the main arena of development. The improved women participation in labour markets has been considered a major policy option worldwide for sustainable economic development.

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The main stream public policy officials acknowledged that the key mechanism to pass on benefits of economic growth to disadvantaged group of society is the labour markets. Improving inequality between women and men certainly requires more and more access to decent and productive jobs (GoP, 2009; Khan et al. 2009). This fact is recognized by the international community by introducing an additional target in Millennium Development Goals called “full and productive employment and decent work for all, including women and young people” (ILO, 2008). The fact also gained recognition as sustainable way out of poverty. Decent and productive employment for women is also essential for economic growth, development and overall welfare of the country since a country cannot sustain long run growth by ignoring untapped resources offered by women. Increased earnings through productive employment result erasing poverty in the country if women are provided chance to get better quality jobs.

The Government of Pakistan is keen to reduce gender inequalities in the country. Women empowerment is now central in the government policies and it is giving it due recognition and importance. It has taken lot of initiatives and introduced programs to improve women status in all walks of life (GoP, 2003). On the front of legislation, women are enjoying almost equal position with men however, in practical front a lot more needs to be done to improve their status. A high powered National Commission on Status of Women is established to look into issues related to women rights and status and monitor the progress made. An appropriate job quota is devoted for women in all government jobs and private sector is encouraged to increase employment of women.

The women constitute half of the population of Pakistan and increased labour force participation of women has great potential to contribute to economic development of the country. In order to examine the women role in labour market, it is important to analyse key labour market indicators such as labour force participation, educational and employment status. These are important labour market determinants of the female status in a country.

Using labour force survey pilot (2008) data, this paper analysed key labour market indicators with respect to women status in District Faisalabad.

2. Labour Force Participation of Female

The population of the district is 6.5 million in 2008 and out of them 3.2 million are female.

Almost half of the female population falls in working age population in the district. Contrary to national level distributions of population where about 70% population resides in rural areas, the rural and urban distribution of population is fairly even (47% and 53% respectively). Similarly, the distribution of Labor Force is in line with the distribution of population by rural urban. However, in terms of gender, the labor force distribution is quite unfair and there exist huge disparity between male and female labour force which is not in line with gender distribution of population (See Fig:1). The same is reflected in the employment to population ratios where 22.7 % women of working age are employed compared to 82.5% men. This is probably due to religion and cultural practices and lack of opportunities for women in the district. The Jejeebhoy and Sathar (2001) argued that region in the subcontinent play more important role than religion to determine women decision to participate in the labour market.

Figure: 1. Distribution of Female Population and Labour Force



Source: MOL, Faisalabad Employment Trends Women.

The female labour force participation rate is much better and 6 percentage points higher in district than National level (khan et al., 2013) but in terms of gender, women participation in labour market is 3 times lower than men in the district. Though few women are participating in the labour market but facing high unemployment. The female unemployment rate is 17 % is 7 times higher than the males (2.6%). Unemployed women in Faisalabad constitute 67% of total unemployment despite their low level of participation in the labour force. (FBS, 2008) This indicates that still a long way has to go to fill gender gap and making economic integration of women possible. Another important point to note is the more and more female participation in rural areas indicating their increased participation in agriculture. The increased women participation in agriculture shows limited participation of rural women compared to men outside agriculture. Other reasons include overseas migration of male to Gulf and urban areas.

Table 1. Labour Force Participation Rate (%) 2008

15+	Overall	Urban	Rural
Both sexes	56.5	52.5	59.9
Males	84.7	82.8	86.4
Females	27.3	19.1	33.9

Source: FBS, 2008, Faisalabad Labour Force Survey

3. Female Employment by Sector

Though, women labour force participation rate is higher than national levels, the sustainable integration of women requires much more than this. We must see that whether improved labour force participation reflected into better and improved working conditions e.g. decent and productive employment. The data indicates that most of the women in the district are working in the Agriculture sector indicating that women are confined to low status jobs which is less likely empowering them. The analysis shows that women are not the beneficiary of structural transformation in district economy. The men are leaving the agriculture and women are joining this sector as contributing family workers. The gender gap in this sector is lowest. This is one side of the picture; the other side of the picture seems bright. In contrast to national level statistics (FBS, 2008) the women in Faisalabad are getting better opportunities in the industry and services (see table 2).

However, concerning is the fact that within the services sector, women are typically concentrated in occupations that are traditionally linked with their role e.g. personal services, community services etc. while men are found in better paid occupation e.g. real state, administrative and business professions.

Table 2. Employment by Sector (2008) (%)

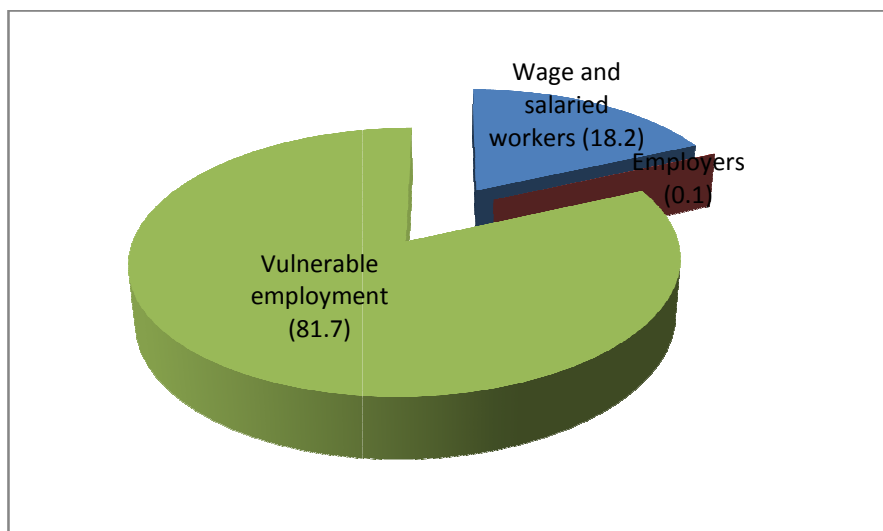
Employment	Industry	Agriculture	Services
Both sexes	32.7	34.2	33.0
Males	35.8	27.2	37.0
Females	21.4	60.5	18.1

Source: FBS, 2008, Faisalabad Labour Force Survey

4. Female Employment Status

The employment status is defined as the types of economic risk the workers face in their work. It is important to know that whether worker hold an employment contract. From status of employment perspective, any move from vulnerable employment to wage/salaried job is considered a major step toward economic integration and empowerment for the women.

If a woman is concentrated into low quality job e.g. own account worker or contributing family worker, she is less likely to enjoy economic independence within a family. On the other side, the probability of women economic independence is highest when they are in wage and salaried work. Again situation is not very encouraging since a large share of employed women is concentrated in either in own account worker category or contributing family category. Both these categories together make the group of vulnerable employment (GoP, 2007).

Figure 2. Female Status in Employment, 2008 (%)

Source: FBS, 2008, Faisalabad Labour Force Survey

5. Female Wages in the Labour Market

The information on wages for different group of workers and in different sectors is important element from policy perspective. The policy makers need this data to formulate income and fiscal policies, minimum wage laws, to assess socio-economic conditions of workers. Further collective bargaining and social security contribution also depends on it. Real wages is also an indicator of living standard since for most of the workers, it is the only source of income. The data shows that there is significant difference between men and women wage rate. Women are earning almost 20% less than men for the same jobs⁵.

This result shows that wage gap in Faisalabad is less than the national level, where the same gap is 30% (FBS, 2008; khan et al. 2013). It is important to note that women are not necessarily discriminated because of gender but most probably because of inferior skills and training. We cannot ignore the fact that women mostly concentrated in low skilled occupations and men dominated high skilled jobs, resultantly they earn more than women.

⁵ Males average real wage is PKR: 4326 and female average real wage: 3464 (FBS, 2008)

6. Female Educational Attainment

The education and skills are the means to enhance employment opportunities and improve working conditions. Education also empowers women by enhancing their ability to attain higher status in the society. It also improves women's access to labour market particularly to decent and productive employment. Pakistan's lowest literacy rate in the region, particularly of females literacy rate is the real barrier of women independence and economic development of the country (Faisalabad Employment Trends: Women, 2010). The result shows that more than 60% women are illiterate compared to only 37% men and a large gap between also exist in different educational groups between men and of women. These results reflect that current education levels may not permit women to elevate their work status. This is the reason why women continue working in the sectors like agriculture and informal sector under harsh conditions. They are largely missing skill sufficient to improves their work status and help them to compete in the labour market. This is to note that if education gaps between men and women continue to persist, it will further limit their access to decent work in future and women will be discriminated not because of their sex but lack of sufficient skills required.

Table No 5. Educational Attainment of Labour Force (%)

	Male	Female	Both sexes
Illiterate	37.0	62.5	43.1
Below primary	3.1	1.1	2.6
Primary	17.8	14.0	16.9
Middle	15.2	4.5	12.7
Lower secondary	16.9	8.4	14.9
Higher secondary	5.5	3.9	5.1
Degree and above	6.8	4.5	6.3

Source: FBS, 2008, Labour Force Survey Faisalabad.

7. Female Employment in the Informal Economy

The information on employment by sector was indicative that more and more women in urban area are getting employment in industry. Indeed this development is very positive but it is not certain that these women are getting decent jobs.

The data shows that 84.4 % women outside agriculture are working in the informal sector which is characterized by low quality jobs with no or little if any legal protection. The workers in the informal economy also excluded from employment and social security benefits and they face higher risk of being fired. Therefore, the job in the informal economy is called indecent job. Again there are imbalances between men and women in the informal employment rates (84.4% for females and 72.0% for males: Source FBS, 2008). The women employment rates in the informal economy are 14.2% higher than men informal employment rate. The data shows that in urban areas where agriculture activity is less, the women tend to be concentrated in informal economy. The analysis shows the hard fact that agriculture and informal sector absorb most of the women in the district where wages are notably less than the formal sector where mostly men dominate.

8. Conclusion and Implication

Women role in economic development is vital and this role translates into development process through labour market. Full integration of women into world of work is only possible when policy makers place women employment at center of social and economic policy. However, policy maker need proper analysis of labour market. This paper provides district level analysis of Faisalabad labour market.

The analysis shows that despite positive signs of labour market improvements for women in the district, the women face discrimination in the labour market. They are at discriminatory position on account of access to labour market, status in the employment, structure of employment and wage and salaried received. The women who want to work, facing higher risk of vulnerability due to insufficient creation of decent jobs. The analysis of sectoral data highlights another indication that women's work is not status-enhancing or empowering for them. Women continue staying in the agricultural sector, traditionally in small scale and subsistence farming without any economic and social security. More and more males are concentrating in industrial and services sector than females. Therefore, improved industrial activity in the district resulted increased labour market vulnerabilities for women.

The improvements in employment status and sectoral distribution seem to benefit mostly men. This is reflected from the statistics that men share in wage and salaried employment is almost double than for female. The analysis of education and skills shows that women are not always discriminated based on their sex, they are very often poorly skilled and do not bring required qualification needed.

The illiteracy among females is far higher than men. At the same time, there are significant gender gaps in skills attainment. If education gaps between men and women persist it could lead to even more constraints for women in the future as they would face bias in attaining decent jobs based not just on their sex, but also on their relative lack of skills.

This study concludes that attracting more women into the labour force requires as a first step equal access to education and equal opportunity in gaining the skills necessary to compete in the labour market. So that a huge potential of economic development could be tapped. Further, labour market barriers need to be lowered and women are given an equal chance to attain decent work. Broadening access for women to employment in an enlarged scope of industries and occupations will also be important to enhancing opportunities for them in the labour market.

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