

## **Paradox of Female Labor Force Participation in South Asia**

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### **ABSTRACT**

Worldwide, startling gender disparities exist in employment. There has been a shift in gender culture in the present era which requires both men and women to have paid jobs and share household responsibilities. South Asian region with leading economies like India, Bangladesh and Nepal, presents an interesting paradox for research. Hence, the aim of this conceptual paper is to understand the push and pull factors which influence female labor force participation in the South Asian region in purview of various social, cultural and institutional impediments to engaging into their economic role. Specifically in India, Pakistan and Afghanistan, where the female labor force participation rates are significantly lower than the other South Asian nations, scarce conceptual as well as empirical researches have been conducted till date to analyze the underlying reasons and consequences of gender inequality or in labor force participation. The article highlights that in case of majority of the developing countries of South Asia, there are numerous complications associated with prevalent gender stereotypes within the society and the division of labor. The author argues that it fails to acknowledge women's triple role in the society. Lack of adequate institutional framework can be one of the prime reasons of low scores for the South Asian region that restrains women to enter productive employment sectors. Discrimination against women in labor force can be costly in the course of development. If properly utilized in the labor market, with the provision of an enabling environment, this huge workforce can make significant contributions to the economic development and growth of the region. Ultimately, it would aid in attaining the Sustainable Development Goals of eradicating extreme poverty and hunger from the world.

**Key words:** Female labor, South Asia, Labor force participation, COVID 19, Pandemic & Sustainable Development

## **Introduction**

Inherent dynamics and budding challenges like huge young labor force, unprecedented growth opportunities, poor governance, corruption, and poverty presents South Asia as an interesting paradox. South Asian countries including India, Pakistan, Bangladesh, Bhutan, Afghanistan, Nepal, Sri Lanka, and the Maldives collectively comprise of more than one sixth of the population of the entire world. South Asia is not only considered as the place of one of the most ancient civilizations of the world but also it is presently emerging as one of the most vivacious and significant global hub of socio-cultural, economic, and political activities. Gradually, this region is becoming prominent and it is ought to create immense opportunities for work and careers (Khilji, 2012).

According to the various World Bank reports published during the period of 2013 to 2016, economic growth rates in majority of the developing countries around the world remained stagnant or even declined with the exception of the developing nations in the South Asian region where the growth rates increased from 6.2 percent to 7.5 percent. During 2017 to 2019, India, Bangladesh and Nepal were the leading economies of the South Asian region. The World Bank projected a continuous positive regional outlook for South Asia for the years 2020 and 2021. However, due to COVID 19 pandemic that has brought the entire world to a standstill, the revised economic growth rates for South Asia indicate a grim outlook with a negative trajectory for the year 2020 and 2021 (World Bank, 2019b).

Worldwide, startling gender disparities exist in employment (Morton et al., 2014). The World Development Report (WDR) 2015 evidently highlighted age and gender inequalities in employment. Comparatively, less than 50 percent of the female labor force have jobs worldwide while 75 percent of males are working (World Bank, 2019a). Globally, an average active female labor force is approximately 46.1 percent in North America, 45.3 percent in Europe & Central Asia, 41.5 percent in Latin America & Caribbean, 20.3 percent in the Middle East & North Africa, and 24 percent in South Asia. However it is important to note that women workforce in South Asia comprises of family workers mostly. Regional comparison of the proportion of women among wage earners across the world indicate the same: 94 percent in North America, 85.5 percent in Europe & Central Asia, 64.4 percent in Latin America & Caribbean, 70.2 percent in the Middle East & North Africa, and 21 percent in South Asia (World Bank, 2019a).

According to the World Bank (2020), female labor force participation rates in the South Asian regions including Nepal, Bangladesh, Bhutan and Afghanistan indicate an increasing trend whereas India, Pakistan, Sri Lanka and the Maldives show a declining trend. Nepal has the highest female labor force participation rate (86%) followed by Bhutan (62%) and the Maldives (44%). On the other hand, South Asian countries including India (22%), Pakistan (23%) and Afghanistan (23%) have the lowest female labor force participation rates despite of having

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almost 50% female population in these countries (World Bank, 2020). In countries like India, Pakistan and Afghanistan where the female labor force participation rates are significantly lower than other South Asian nations, scarce conceptual as well as empirical researches have been conducted till date to analyze the underlying reasons and consequences of gender inequality or gender disparity in labor force participation (Mubeen et al., 2018; Pradhan et al., 2016). Eventually, this leads to the dire necessity of understanding the push and pull factors which influence female labor force participation in these South Asian countries in purview of various social, cultural and institutional impediments to engaging into their economic role.

In case of majority of the developing countries of South Asia, there are numerous complications associated with prevalent gender stereotypes within the society and the division of labor. To begin with, it fails to acknowledge women's triple role in the society. In majority of low income households, women's work not only entails reproductive responsibilities which pertain to childbearing and rearing errands but also often includes productive work as secondary income earners. Such women in rural areas, mostly work in the agriculture sector while in urban areas, they are mostly associated with the informal sector involving subcontracting or piece rate work which they do either from home or at the neighborhood (Bonnet et al., 2019).

In terms of apparent exchange value, only productive work is recognized as work while reproductive and community work is not duly valued as they are considered as natural and non-productive. Ultimately, there are grave consequences of this lack of understanding for multiple roles of women. Generally, the inclination is to see needs of women as similar to that of men, however; the reality of women's lives depicts a very dissimilar situation (Zuo, 2016). On the other hand, the lack of adequate institutional framework can be one of the prime reasons of low scores for the South Asian region that restrains women to become employed in formal sectors (Boris, 2016).

According to Kazi and Reza (1990), the increase in female labor force, belonging to agricultural households in Pakistan, between 1972 and 1980 can be attributed to certain developments in the rural agricultural sector. The similar trend of feminization of agricultural sector has also been observed in other states of South Asia. One possible explanation of this trend can be outmigration male agricultural labor to urban areas and to the Gulf States for better employment opportunities. Another reason leading to hasty reduction in male labor supply for agricultural can be diversification of men into non-agricultural jobs. In the 1980s, rapid growth in employment prospects in rural non-farm sector particularly construction and transport was witnessed due to influx of remittances from the migrants to the Gulf region. Since men switched to non-farming sector or moved overseas for more lucrative opportunities, women had to enter the agricultural sector and took over the responsibilities of farm production as a consequence.

Societal culture relates to the norms, values and beliefs which are mutually shared by the society at large. The roles of men and women are predominantly

shaped by the societal culture which has profound effect on employees, employers and human resource management practices within a specific social setting (Dastmalchian et al., 2018; Kwantes & Glazer, 2017). Diversity in national cultures, core values, policies, backgrounds, and gender norms profoundly influences in defining the roles of their native men and women. In numerous South Asian countries, it is a generally accepted notion for men to have a profession as the breadwinners whereas women's prime responsibility is that of nurturing (Cuddy et al., 2015). However, the industrial era's concept of nuclear families which are conventionally headed by males is no longer plausible. There has been a shift in gender culture in the present era which requires both men and women to have paid jobs and share household responsibilities (Inglehart, 2018).

National customs also inhibit women at times, especially women who are veiled, to step out of their homes without their husbands' or fathers' permission. Women who have liberty of movement but obligation to wear the veil, they are denied of equal employment opportunity by some organizations and hence economic opportunities are lesser for them. Lack of higher education and norm of early marriage of girls are also prevalent in the society (Javed et al., 2018). However, women are now being encouraged to join the labor market out of dire economic necessity. Consequently, this has become a driving force in changing the cultural perceptions regarding aptness of productive role of women (Meraj & Sadaqat, 2016).

Despite shift in gender norms in the realm of economic activities, women's traditional role expectations of child rearing and other household responsibilities still prevails widely. The tradition of women being preferred to stay at home to look after the family and domestic chores is often attributed to the long-standing conflict between productive and reproductive roles of women. Restrictive gender and cultural norms often refrains women from their productive role in the society (Chung, 2011). Direct restrictions on women's activities may be imposed by various social institutions. This wide array of direct as well as indirect social constraints on economic activities of women includes restricted access to education, poor health and nutrition, lack of social capital and explicit prohibition to start own business or to have paid jobs (Cundiff & Vescio, 2016).

Financial need is one of the significant factors pushing women to enter the labor market as indicated by numerous micro studies. Majority of these women come from backgrounds where women have never been allowed to work (Sarwar & Abbasi, 2013). Change in the socio-cultural norms in South Asia is also evident via the increasing incidence of female-headed households (Sharpe & Swanson, 2016). Although economic empowerment of women has given rise to such households but female-headed or female-managed households are still not quite common in Pakistan. Such households typically belong to the poorest strata of the society. By and large, increasing earning capability of women results in improving economic status of family and it ultimately empowers them to make major

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household decisions. Hence, the economic pressures are now challenging the ideology of the existing patriarchal system in the country (Habiba et al., 2016).

According to the findings of a study conducted by Branisa et al. (2013) on the effect of gender inequality on development outcomes, polygamy is still legal, custom of early marriages widely prevails, father holding sole parental authority is a norm, restriction on movement and dressing is common in most Arab and Muslim countries. Islamic code is enforced in Pakistan and Bangladesh which are part of the South Asian region. Even in India, women are immobile due to lack of freedom of movement, and they are disadvantaged for inheritance, parental authority and access to capital. One might argue that the economic role of women is governed by religion and economic development. In Muslim countries, the tendency for gender inequalities is greater as compared to the Buddhist and Christian ones, with some important exceptions like Bangladesh, Turkey and Malaysia. However, research shows that the economic situation of women in developing countries cannot be fully explained through religion (Branisa et al., 2013).

Particularly in the countries like India and Pakistan, if culture continues to forbid women to work outside, the required increase in female labor force participation would not be witnessed despite exponential increase in the enrollment rate of girls in primary education. Also, if the customs do not encourage acceptance of women in power, the registration in universities can double without increasing the number of women managers in the labor market (Branisa et al., 2013). The lack of the institutional framework can be one of the prime reasons of low scores for the South Asian region that restrains women to become employed in formal sectors (Boris, 2016). Generally, women belonging to the poorer strata take up paid jobs after increase in family size. In such cases where basic needs are not fulfilled, it becomes an imperative for women to supplement the family income besides looking after home and young children. Hence, high fertility in poorer strata indirectly induces the need for employment for women. In today's era, employment is not a matter of choice for women anymore rather it has become a necessity for economic endurance of family as well as the country (Awan et al., 2016).

In order to comprehend the importance of productive role of women in a society, it is crucial to understand the possible outcomes of women participation in workforce. The outcomes of women workforce participation can be broadly analyzed from two aspects: Microeconomic (at individual and family level) and Macroeconomic (at national and international level). It is important for women to earn an individual income. The findings of a survey of female labor in the garment manufacturing industries in Bangladesh reveals that independent income increases women's self-reliance, helps them to stand on their own feet, reduces their dependence on household income and also provides freedom to make their own decisions. However, statistics shows that these differences are not available for women who are a part of the agricultural sector (Morrison & Jütting, 2005). It

makes quite a lot of difference when one owns something and when one is working under someone else's authority. Similarly, when a woman owns her own crop and sells part of the harvest, the income generated from that is often at her disposal. Nevertheless, if she works under the authority of her husband, then the husband is seen as the income earner (Branisa et al., 2013).

As far as the macroeconomic effects of women labor force participation are concerned, research indicates that the extent of gender inequality in labor market affects the economic growth rate. Historically, the link between gender and growth differs inevitably. It also varies with differing gender systems and economic structures (Kabeer, 2012). When women are discriminated, it has a trajectory effect on exports and investments. Survey of middle income semi-industrialized economies with varying degrees of export orientation, the results indicate that over time within countries and across countries there is a positive link between gender wage equality and growth through both channels. Therefore, gender inequality is a casual factor in economic growth and investment for the semi-industrialized countries (Seguino, 2000). Women participation in workforce not only entails economic empowerment but also political and social empowerment which encourages them to bring social change in the society by raising their voices for their rights (United Nations, 2013). At the macroeconomic level, women empowerment is crucial for international development.

In terms of both intellectual and physical capacities, women are not inferior to men in any aspect. According to the modernization neo-classical approach, gender discrimination is likely to decline as a society evolves. Gender inequalities in various spheres like education, training, finance and overall gender discrimination gradually fades with economic growth which brings about upsurge in employment prospects and competition. Discrimination against women in labor force can be costly in the course of development (Cundiff & Vescio, 2016). If properly utilized in the labor market, with the provision of an enabling environment, this huge workforce would prove to be a big asset for South Asia. They can make significant contributions to the economic development and growth of the region. Ultimately, it would aid in attaining the Sustainable Development Goals of eradicating extreme poverty and hunger from the world.

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