



Formal and Informal Sector Working Women: A Comparative Analysis of Their Contribution in Family Budget

Rana Ejaz Ali Khan¹ and Shahida Mehtab²

Abstract

The paper estimated the comparison of formal and informal sector working women (16-60 years) contribution in their household budget. Employing the OLS model on 936 observations, it is found that married women (in formal and informal sector), women as head of household (in formal and informal sector), having assets (in informal sector), and belonging to nuclear families (in formal and informal sector) are contributing more to their household budget. There exists also a positive relationship between the contribution of women and unemployed husbands (only for informal sector), presence of infants (only for informal sector) in the household, and utilization of loan by household (only for informal sector). The presence of school-age children (only for informal sector), presence of adults (male and female) (only for informal sector), and husband's educational status (only for informal sector) negatively affects the contribution. It is proposed to intervene by government for education of women, provision of assets and loan by public sector.

Keywords: Women, Household Economics, Labour Supply, Female Employment, Poverty

1 Introduction

Female labour force participation rate of women in Pakistan is exceptionally low at just 14.4 percent, as compared to 70.3 percent of men, while unemployment rate is 16.5 percent of women and 6.7 percent of men (FBS 2003:15, 30).

The working women are largely classified into formal and informal sector based on the kind of economy. Generally the highly-educated women are employed in high status jobs, like doctors, superior services, army officers, bankers, lecturers and business executives. Majority of such women enter formal labour market to pursue carrier or to fulfil their personal satisfaction, while financial necessity of the household is not related with their employment (Sayeed, et. al. 2002). There is another group of the women who are also in formal professions of middle or lower income groups. It includes nurses, paramedics, telephone operators and clerical workers. Most of these women had completed their matriculation.

¹ Department of Economics, The Islamia University of Bahawalpur, Pakistan.
Email: ranaejazalikhan@yahoo.com

² Government College for Women, Shahdra, Lahore, Pakistan.
Email: Shahidamehtab2007@yahoo.com

The informal sector absorbs 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 are 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 formal and informal employment differs significantly in many terms particularly, skill requirement, legislative and administrative provisions, labour intensity and cost of entry (Glick and Sahn 2005).

The women workers in the formal sector tend to belong to comparatively richer and smaller households having fewer children than their counterparts in informal sector (Sayeed et. al. 2002). The labour force participation in formal as well as informal sector along with other factors largely depends upon socioeconomic characteristics of households.

Our analysis is concerned with the comparison of the contribution of the formal with the informal sector's working women in household budget. The informal sector is a heterogeneous phenomenon having specific characteristics which encompasses many economic activities that are usually overlooked in economic statistics. The informal sector economic activities are carried out in the enterprises operated in small units which are established, owned and operated by one, or a few individuals; started and maintained with little capital and are unable to gain access to formal credit mechanisms; produce low-quality but relatively cheap goods and services; are very labour-intensive and not very efficient; ill-equipped and have little infrastructure; operating in highly competitive environment with easy entry; and have limited opportunities offering better-quality goods and services because of worker's lack of knowledge and skill. The situation put the informally employed women at subsistence level.

The studies attempted working women (formal and informal) are mostly concerned with their income, time allocation, wages, working conditions, marketing mechanism and working hours. A very few studies existed who have examined their contribution in household budget. The contribution of a woman in her household determines her status in household (see for the argument, Ramachandran, et. al. 2001). It pulls the household out of poverty and enhances bargaining power which results into well-being of the children and household. This draws attention to analyze the determinants of women's contribution in household budget. The study will examine the economic contribution of women (for formal and informal sector) in their household budget. The precise objectives of the study are as:

- 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.

2 Review of Literature

In earlier studies, Charmes (1998) has calculated the employment status and value-added in informal sector generally and by women particularly. The study has described the procedure to estimate women's share of informal sector employment and their contribution in GDP. As the contribution of a woman is theoretically connected with her labour force participation, so it seems better to review the studies focussing on labour force participation of women. A number of studies have analyzed the determinants of labour force participation of women and their time allocation (see for instance, Duncan, et. al. 1993; Sultana et. al. 1994; Azid, et. al. 2001; Hafeez and Ahmed 2002; Khattack and Sayeed 2002; Naqvi and Shahnaz 2002; Glick and Sahn 2005).

Lockshin, et. al. (2000) estimated the effect of early childhood development program on women's labour force participation along with older children's schooling in Kenya. Results of this study showed that price of the child-care per unit had negative impact on maternal participation of work. The wages offered to mother and education of head of household positively impact the labour force participation. Changes in household non-wage income have no-significant effect on mother's labour force participation. Lissenburgh (2000) found that women's pay would increase by about 10 percent if they were equally treated in labour market. Part-timers faced more discrimination than full-timers. Ramachandran, et. al. (2001) concluded that women's earned-income from wage of manual labour exceeds the earned-income from non-manual or self-employment.

La Ferrara and Kodoth (2002) shown that hourly earnings are positively related with age but at decreasing rate. Education and marital status are not significant determinants. Eapen and Kodoth (2002) examined the status of women and its relationship with education, work participation and family structure in Kerala. The study concluded that families mediate education and employment decisions of women channelling towards the marriagability of girls. Escriche, et. al. (2004) focussed on gender discrimination in labour market and persistence of inter-generational transmission of preferences for jobs in Kerala. The results explained the process of convergence to non-discrimination in wages and ultimately in job preferences. Eapen (2004) analyzed the issue of sex segregation in jobs and its perpetuation over time as a disadvantage to women workers. The study proved that education of women and collective action by the group of working women are advantageous to increase the earnings of women. We will make a comparison of determinants of contribution to household budget by working women in formal and informal sector.

3 Data and Model

3.1 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

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 values³.

We have collected the data by personal contact with female interviewees. Initially cluster sampling technique is used. For example, for formal sector observations, the educational institutions (schools, colleges and private and public sector educational institutes), health department (hospitals, health units and dispensaries---public and private sector), communication department (telephone), banks and offices were selected. Similarly for informal sector the casual or daily wagers women in factories and private institutions were selected.

Secondly the geographic clusters were selected from Toba Tek Singh city particularly for informal sector working women. In this way the sampling was stratified and purposive. Being females (in the process of data collection later two authors have contributed a lot) the maximum accurate results were obtained in a relaxed environment having friendly conversation with female workers.

Primary data exclusively collected for the study by cluster sample technique has been used. A survey of 936 working women (in the age group of 16-60 years) of Toba Tek Singh City in April-June 2008 made the information valid⁴.

3.2 Model Specification

We have estimated contribution of women in household income through a series of OLS models. In the first regression contribution of a woman working in formal sector is regressed against the women and household characteristics. In the second model contribution of women working in informal sector is regressed against the same factors ($X_1 \dots X_n$) where $X_1 \dots X_n$ are the women' and household characteristics like age, education, marital status, kind of employment, woman as head of household, and ownership of assets by the woman, husband's age, husband's education, husband's employment status, 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, and loan availed by the household⁵. The general function is as:

³ The official data on women' labour 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).

⁴ Though a significant part of the females under 16 years of age is economically active in Pakistan and they are contributing a lot in household income but we assume them child labor.

⁵ 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,

$$WCHB = f(X_1, \dots, X_n) \tag{1}$$

Where WCHB is the woman’s contribution in household budget, and X_1, \dots, X_n are the exogenous socio-economic variables influencing her contribution. The definitions of dependent and exploring variables are shown in table-1.

Table 1:
Definition of Dependent and Explanatory Variables

VARIABLES	DEFINITIONS
Dependent Variables	
WCHB	• Woman contribution in household income (Earned income of the woman / Total income of the household)
Independent Variables	
WAGE (Woman age)	• Woman age in completed years
WAGESQ (Woman age squared)	• Woman age squared
WLIT (Woman’s literacy status) ⁶	• 1 if woman is literate, 0 otherwise
WEDU (Woman’ education)	• Number of completed years of education
WMAR (Woman’ marital status)	• 1 if the woman is married, 0 otherwise
WHEAD (Woman as head of household)	• 1 if the woman is head of household, 0 otherwise
WASST (Woman assets)	• 1 if the woman owns assets, 0 otherwise
HAGE (Husband age)	• Husband age in completed years
HLIT (Husband literacy status)	• 1 if the husband is literate, 0 otherwise
HEDU (Husband education)	• Number of completed years of education
HEMP (Husband’s employment status)	• 1 if husband is employed, 0 otherwise
HHSIZ (Household size)	• Total number of family members

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.

⁶ 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.

HHNUC (Nuclear household)	• 1 if household is nuclear, 0 otherwise
CHILD (Number of children)	• Number of children (5-15 years) in the household
IFANT (Number of infants)	• Number of infants (up to 5 years) in the household
ADLM (Number of adult males)	• Number of adult males in households
ADLF (Number of adult females)	• Number of adult females in the household
HHASST (Household's ownership of assets)	• 1 if the household has ownership of assets, 0 otherwise
HHPCY (Per-capita income of household)	• Household's per capita income in Rupees per month
HHLOAN ⁷ (Household's availability of loan)	• 1 if the household availed loan, 0 otherwise

4 Results and Discussion

The OLS results are given in table-2. The majority of the results is consistent with the theoretical implications of a woman's contribution in household budget. 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.

Table2:
Results of OLS Model for Women Contribution in Household Budget

Variables	Formal Sector		Informal Sector	
	Coefficient Beta	T-Values	Coefficient Beta	T-Values
(Constant)	97.6885	2.4762	141.251	2.7671
WAGE	1.3669	2.1476**	1.7902	1.1456*
WAGESQ	2.5921	0.9701	-1.2589	-1.9678**
WLIT	2.4680	0.8763	0.3069	2.6291**
WEDU	0.2683	2.2157**	0.1380	2.0667**
WMAR	2.3853	1.3918*	6.019	1.707**
WSEMP	1.2195	0.9149	1.3678	2.0148**

⁷ Loan utilization includes loaning from formal and informal financing modes.

WHEAD	-1.7649	-2.815**	1.271	1.7647**
WASST	2.2083	0.1198	2.9886	1.2674*
HAGE	1.2198	0.9976	1.8763	0.2876
HLIT	1.9445	1.0509	-1.2715	-2.09753**
HEDU	1.3704	0.7673	-0.1059	-1.6589*
HEMP	1.4051	1.0696	-2.4579	-2.0148**
YHEAD	-2.7251	-2.8225**	-1.2381	-1.9264*
HHSIZ	0.2498	2.7471**	1.8215	2.2115**
HHNUC	2.2728	2.8209**	2.5894	1.9755**
CHILD	1.3164	0.5247	-1.7694	-1.9745**
IFANT	1.3963	1.0476	-1.3668	-1.2659*
ADLM	2.1357	0.2837	-4.5687	-2.8751**
ADLF	3.3748	1.0960	-8.1347	-1.0986
HHASST	1.6561	0.9675	-1.6393	-1.4489*
HHPCY	-1.5274	-2.6473**	-1.6538	-1.7895**
HHLOAN	3.4735	1.0485	4.801	1.3941*
No. of Observations	484	No. of Observations	452	
R-Squared	0.7955	R-Squared	0.7971	
Percent Correct Prediction	0.8276	Percent Correct Prediction	0.8152	

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

4.1 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.

In the present study for formal sector, 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 income⁸. The contribution increases by increase in age but in the later age the contribution decreases⁹. It explains that job experience does not affect the productivity.

The explanation have different aspects, firstly, when a female enters the labour 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 labour 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 labour 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 labour supply. The younger women if they are married they have smaller family size due 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.

4.2 Education of the Women

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).

We have found a positive relationship between the number of years of schooling and the contribution of women to family income for formal sector. Similarly, for the informal sector there is found a positive relation between number of years of education (as well literacy status) and the contribution of women to family income (Ofer and Vinkar 1983).

4.3 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

⁸ For the formal sector, we have found non-linear positive relation between age of the woman and her contribution.

⁹ 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.

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). 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 especially in low-income occupations. Majority of the women in these strata does not work before marriage and if they work they show a casual approach towards work. We have concluded that married women¹⁰ (both of formal sector and informal sector) are contributing more to family income as compared with single women¹¹. 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.

4.4 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 (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 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 (in the informal sector) are contributing more to their household income as compared to employees.

4.5 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

¹⁰ 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.

¹¹ 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).

school alternatively to work may be fundamentally different for single-headed households than two parents households.

We have found that women (of both formal and informal sectors) 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.

4.6 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. We have found that if the woman (of only informal sector) 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 financing to the woman for an enterprise which enhances the income of the enterprise and contribution of woman in household budget.

4.7 Husbands' Educational Status

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. 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 (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 well as binary variable) negatively affects the contribution of women (of informal sector) 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.

4.8 Husband's Employment Status

Husband's employment status is an important factor to determine the woman's contribution in household budget. Our results have indicated that if the husband is unemployed the contribution of women (for the informal sector only) 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.

4.9 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. 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 (of both formal and informal) in household budget is lower.

4.10 Household Size

Household size is an important variable determining the contribution of women in the household budget. 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).

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 (of formal as well as informal sector) 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 feed) which compel the women to contribute in the household budget.

4.11 Nuclear Status of Household

Family structure is an important variable affecting the women's decision about work (Mcgrattan and Rogerson 2004). This study finds a positive relationship between nuclear family system and contribution of women (of formal as well as informal sector) 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.

4.12 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 (Azid et. al. 2001 for labor force participation of women). This 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 involved in informal sector to their household budget¹². 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 (of informal sector only) in household income. 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.

4.13 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. 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.

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 members¹³ (males and females separately) has shown negative effect on the contribution of woman (of informal sector only) in household budget. The phenomenon shows a substitution effect, i.e. the adult member of the household and working woman in 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.

4.14 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 (of only informal sector) 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 (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.

4.15 Household Per-Capita Income

The household income is the central indicator of socio-economic standing of the household. In this study, a negative association between household per capita income and

¹² 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.

¹³ Other than husband

the contribution of woman (for formal sector and informal sector) 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.

4.16 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.

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.

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 (only for informal sector) from the households having loans are contributing more to their household budget as compared to the women belonging to household without loan.

5 Conclusion and Policy Recommendations

Our research mainly focused on the contribution of working women in their household income. 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. 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.

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 lending 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.

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