

CAUSES OF UNEMPLOYMENT AMONG HIGHLY EDUCATED WOMEN IN PAKISTAN: A CASE STUDY OF BAHAWALNAGAR DISTRICT

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ABSTRACT

The objective of the study is to find out the causes of unemployment among educated women in Bahawalnagar district of Pakistan. The research is based on primary data collected through questionnaire method from urban and rural areas. Using probit model, the finding state that age, education, husband's education, father's education, mother's education, total employed persons at home, mother's job status and technical education are reducing unemployment while joint family system, number of children and household size are causes of higher unemployment among educated women in Bahawalnagar district.

Keywords: Age, Education, Family System, Unemployment, Family size

JEL Classification Codes: A23, B21, C13, C35, C83, J64, Y10

I. INTRODUCTION

Kupets (2006) determined unemployment duration in Ukraine for the years 1998 – 2002. The study resulted age, marital status, level of education, income and local demand constraints as significantly related to total time in unemployment. Jackman (2002) determined unemployment in Western Europe and seen possible policy responses. Isran

and Isran (2012) examined the causes and consequences of low female labor participation in Pakistan. Demidova and Signorelli (2011) analyzed the impact of crises on youth unemployment by forming panel of 78 Russian regions.

Half of the Pakistan's population is comprised of female gender which play an important role in the society, household activities etc. It is generally observed that a significant part of women population remained unemployed and there may be various reasons like access to property, education, employment etc. Traditionally, female workers are discouraged which is one of the hindrances among their employment. Often people think that women should not participate in economic activities and only male members can take part in economic activities because male are only considered responsible for their family expenses and support. But this trend is almost changed with the passage of time and women also stated to involve in economic activities of life.

There are various religious misperceptions which do not allow female members to do job. Especially Bapardah females don't prefer jobs because they can't manage 'Parda' in job market due to absence of suitable arrangement. There are few professions which are considered to be suitable for women like medical and teaching. Sometimes responsibilities at home don't allow them for job or low salary may be the cause of unemployment in women. In the past, there was no any quota for women so a large proportion of women were jobless. This situation has been changed nowadays. Bahawalnagar district is a part of Punjab, Pakistan which is neglected, backward and bordered area in which a large part of educated women is jobless. It is also seemed that a number of reasons are involved in highly educated females' unemployment in Pakistan.

Considering all possible factors, the present study will be helpful to find out the reasons of unemployment in highly educated women and will provide guidelines to improve the situation of employment. The current study overcomes the research gap related to educated female unemployment in district Bahawalnagar. Darma and Arsyad (2010) investigated determinants of unemployment in Indonesia in rural area of Pinrang district, south Sulawesi, Indonesia. Bassanini and Duval (2006) revealed determinants of unemployment across OECD countries. Assaad et al. (2000) indicated the determinants of employment status in Egypt. No systematic link was seen between youth unemployment among new entrants and poverty. Kabaklarli et al. (2011) indicated long run relationship between youth unemployment rate, real investment, real GDP, productivity and inflation.

In the light of above discussion, the objective of this study is to identify the discouraging factors which are involved in unemployment of highly educated women. The paper is organized as follows; first section provides a brief background of the study, second section is a review of literature related to unemployment in Pakistan and the rest of the world, third section describes the data and methodology used for analysis. Forth section explains the econometric analysis. Last section provides conclusion and policy recommendations.

II. LITERATURE REVIEW

The study of finding determinants of unemployment has been carried out at various times in past at micro as well macro level. This section summarizes few of those studies as follows.

Foley (1997) investigated the determinants of unemployment in Russia using discrete time waiting model and analyzed significant relationship among income support, demand of local labor, age and unemployment. It was also examined that demand of labor significantly affected unemployment.

Naqvi et al. (2002) explored the women decision about work in Pakistan using cross-sectional data. Using Probit and Multinomial Logit, the study showed that marital status, education level, family size, household's financial status and area of residence were main factors for deciding women decisions about paid employment.

Tansel and Tasci (2004) analyzed the determinants of probability of leaving unemployment or the hazard rate using primary data. The results concluded that women were facing more unemployment duration as compared to men. On the other size, age was found to be negative and education was seemed to be positive for unemployment.

Maqsood et al. (2005) explored problems of employed women at Faisalabad, Pakistan. Primary data was taken from 150 respondents through interviews. The research concluded women who were married blamed that they didn't give time to their family which were having negatively impact. Employed women could not attend family functions due to office work.

Qayyum (2007) explored causes of youth unemployment in Pakistan using Probit model by collecting primary data of 14515 households through questionnaire technique. Age, male, Punjab province, household size and training were found negative while single

marital status, NWFP province, Sindh province, urban area, primary education, matric, college and higher education were turned out to be positive for unemployment in youth.

Eita and Ashipala (2010) explored causes of unemployment in Namibia by taking time series data from 1971 to 2007. The research employed the two steps Engle Granger procedure and showed negative relationship between inflation, higher investment and unemployment. Output and wages were positively related to unemployment.

Schmillen and Moller (2010) investigated individual lifetime unemployment for time span 1975 – 2004 in Germany. The results stated that employment growth rate, wage, vocational training having no high school, high school having no vocational training, high school and vocational training, technical college, university, Hamburg, lower Saxony, Bremen, North Rhine – Westphalia, Hesse, Rhineland – Palatinate, Baden – Wurttemberg, Bavaria, Saarland, energy and mining, manufacturing, services, public sector and other, size of the establishment were turned out to be negative with lifetime unemployment. On the other side, fluctuations of employment and construction were raising lifetime unemployment.

Kyei and Gyekye (2011) investigated determinants of unemployment in South Africa employing regression cluster and principal components. The results showed that GDP, youth education had no significant relation with unemployment while race and higher education was significantly contributing in unemployment.

Mahmood et al. (2011) analyzed the causes of unemployment of educated people in Peshawar by using sample of 444 respondents. Logistic regression technique was used and findings depicted that population growth rate, education system, lack of resources and current availability of occupation were main causes of unemployment.

Soharwardi (2012) searched out impact of informal education on women unemployment. The research selected sample size of 200 respondents employing questionnaire and interviews. Logistic regression analysis showed informal education having negative association with unemployment. According to results, higher rate of informal education improved employment.

Iqbal and Khaleek (2013) expressed causes of unemployment in Pakistan. The study examined that population; lacked resources and lower demand of labor were cause of unemployment in Pakistan.

Aurangzeb and Asif (2013) determined the determinants of unemployment in Pakistan, India and China by using time series data from 1980 to 2009. The study employed cointegration, causation test and regression to examine the results. The analysis showed that GDP, inflation, exchange rate and population rate significant effected employment while income distribution and increase in growth rate in all countries caused the lower unemployment.

III. DATA AND METHODOLOGY

A. DATA AND METHODS

To fulfill objectives of the study, primary data is collected from Bahawalnagar district via Questionnaires to be directly filled by respondents. Sample of 300 respondents is gathered in which 160 respondents were belonging to rural area and 140 were from urban areas of Bahawalnagar district of Pakistan. Target population were only highly educated females having minimum education Graduation or Bachelors (B.A., B.Sc., B.Ed., B.Com. etc.). Econometrics results are estimated using Probit model.

The questionnaires were distributed personally. True and honest effort was made to collect the data from the respondents living in the rural area like Takhat Mahal, Kabotri, Murli garh, Gujyani, Chak Sikandar, Chak Madrasa, Nawaz Pora, Hafaz Vala, Chak Ameer Shah, Kamer Bodla, Chak Bhaloka, Chak Mitti ROya, Toba Kalandar Shah, Rujhan Vali, Fateh Court, Chack Jamal, Chak Jhulan Mord, Wazirka, Chak Akuka, and Chak Laleka. Names of urban areas are Ameer court, Madina town, Wokla Colony, Urdu Road, Anarkali Bazar, Nizam Pora, Khan Baba road, wapda complex, Madni Colony, Eid gah road, Farooka Abad, Chishtian road, Qasim Road, circular road, Madal Town, Faisal Colony, 22-Fot Road, Commerce college Road, Shahzad Nagar, Muhalla Tayllian Vala, Nadar Shah Bazar, Canal Colony, Basti Sadar Din, Officer Colony, Mahajar Colony, Muhalla Paracha Vala, Hafiza Abad, Muslim Colony.

B. MODEL SPECIFICATION

As regards to objectives of the study, the econometric model is specified in functional as follows;

$$UNEMPL = F \left[\begin{array}{l} AGER, ED, HUSE, FATE, MOTE, NOCH, \\ HOHS, FASY, TEPH, IMDJ, TECE \end{array} \right]$$

The above functional form is written in equation form as;

$$UNEMPL = \left[\begin{aligned} &\beta_0 + \beta_1 AGER + \beta_2 ED + \beta_3 HUSE + \beta_4 FATE + \beta_5 MOTE + \beta_6 NOCH \\ &+ \beta_7 HOHS + \beta_8 FASY + \beta_9 TEPH + \beta_{10} IMDJ + \beta_{11} TECE \end{aligned} \right]$$

The description of the variables is presented in table 1.

Table 1: Definition of Variables

Variable	Description	Unit of Measurement	Expected Relationship
UNEMPL	Women Unemployment Status	Dummy Variable Unemployed=1, Employed = 0	Dependent Variable
ED	Education of Respondents	Completed Years of Education	Negative
AGER	Age of Respondent	Years	Negative
HUSE	Husband's Education	Completed Years of Education	Negative
FATE	Father's Education	Completed Years of Education	Negative
MOTE	Mother's Education	Completed Years of Education	Negative
NOCH	Number of Children	Numbers	Positive
HOHS	Household Size	Numbers	Positive
FASY	Family System	Dummy Variable Joint Family = 1, Nuclear = 0	Positive
TEPH	Total Employed persons at Home	Numbers	Negative
IMDJ	Job Status of Mother	Dummy Variable If Mother is doing job = 1 Otherwise = 0	Negative
TECE	Technical Education	Dummy Variable Having Technical Education = 1, Otherwise 0	Negative

IV. ECONOMETRIC ANALYSIS

Age is found to have significantly negative effect on unemployment in highly educated women. It may be justified as age of respondent increases, they become more experienced. Their working capabilities are also improved. On the other side, their children are grown up and their responsibilities may be lessened in these terms which may be a cause of lower unemployment in educated women.

Similarly, education is turned out to be significantly negative with unemployment of highly educated women. It shows that improvement in education of women may make them capable of finding more appropriate jobs near to home which removes the hindrance of doing job and ultimately reduces unemployment in educated women.

Husband's education is the most important factor which may determine employment status among educated women. It may be noted from econometric results that good education of husband may reduce unemployment among educated women which is found as statistically significant. The reason may be that highly educated husband understands the financial, social and cultural requirements of the society and knows how to move in the society and also supports their wives in doing jobs which reduces unemployment among educated women.

Father's education and Mother's Education have statistically significant effect on unemployment among educated women with negative coefficient. Educated Fathers and Mothers know well about role of employment opportunities in social and professional life so special focus is drawn on children's education to make them capable of getting good jobs and to be employed.

Table 2: Probit Model Results

Variable	Coefficients	Standard Errors	Z-Statistics	Probability
Constant	4.810410	1.246639	3.858705	0.0001
AGER	-0.039016	0.012626	-3.090058	0.0020
ED	-0.253721	0.080006	-3.171288	0.0015
HUSE	-0.024826	0.019424	-1.278145	0.2012
FATE	-0.050164	0.018521	-2.708580	0.0068
MOTE	-0.037562	0.019699	-1.906831	0.0565
NOCH	0.226694	0.077277	2.933508	0.0034
HOHS	0.032970	0.027275	1.208785	0.2267
FASY	0.335082	0.182585	1.835211	0.0665
TEPH	-0.133028	0.060428	-2.201415	0.0277
IMDJ	-0.484698	0.334079	-1.450848	0.1468
TECE	-0.267775	0.163062	-1.642170	0.1006
Probability(LR Stat)	0.0000	Mcfadden R-squared		0.524117

Number of children affects positively unemployment among educated women in Bahawalnagar district and having significant coefficient. More children at home increase household activities of women. So women may not be able to manage time for job and children at same time. So they forgo employment opportunities to take care of children in their growing up age which may be another cause of unemployment among educated women. Positive association may be seen among household size and unemployment among highly educated women but with statistically insignificant coefficient.

The study indicates that joint family system enhances unemployment among educated women in Bahawalnagar district. Statistically, the value of coefficient is different from zero at 10 percent level of significance. It is noticed in the society that households having joint family system are more reluctant in allowing women to have jobs. They are psychologically de-motivated by their customs or tradition. That's why they are found to opposing women employment.

Total employed persons at home are found significantly reducing unemployment among educated women. Negative correlation is seen in econometric results with statistically significant coefficient. Already employed persons at home know well how to deal with social behavior and how to secure themselves from harmful effects of society. They don't feel any botheration in allowing their female households to have jobs. This may decline unemployment among educated women.

Mother's job has statistically insignificant effect on unemployment with negative sign. Technical education is turned out to be marginally significant with unemployment among educated women with negative coefficient. The reason is that technically educated persons may have more job opportunities in the area of Bahawalnagar which may lead to lower unemployment among educated women.

V. CONCLUSIONS AND POLICY RECOMMENDATIONS

Serious problems of unemployment may be seen among educated women in poor areas of Pakistan like Bahawalnagar district where limited employment opportunities are available. Considering the notion, the present study is aimed at analyzing the causes of unemployment among educated women of Bahawalnagar district. For that purpose, primary data is collected from approximately 300 respondents belonging to rural and urban areas through questionnaire procedure. Dummy variables are also introduced where it is applicable. Having dependent variable as dummy, probit model is used for estimation of econometric results.

Findings of the study states that age, education, husband's education, father's education, mother's education, total employed persons at home, mother's job status and technical education are found causes of lower unemployment among educated women in rural and urban areas of Bahawalnagar district. On the other side, joint family system,

number of children and household size are seen as cause of higher unemployment among educated women in Bahawalnagar district.

It is suggested on the basis of econometric results that awareness programs should be launched in such type of bordered areas of Pakistan for enhancing employment among educated women. Employment opportunities should also be created by policy makers in order to raise employment among educated women.

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