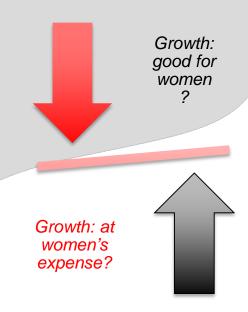# Has Growth Been Good for Women's Employment in Pakistan?

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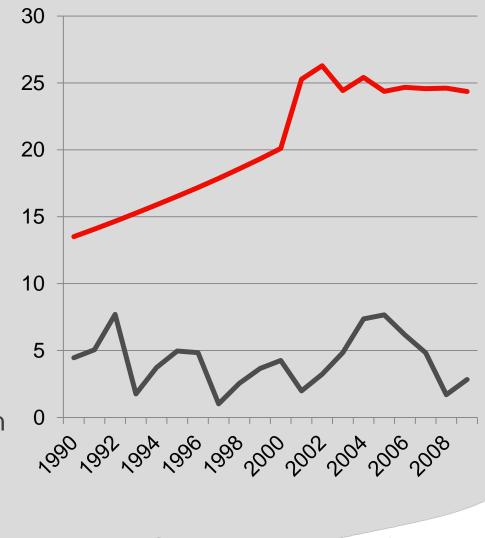*International Monetary Fund, Washington DC*
24 March 2017

Gender as blind spot in debates on inclusive growth

- Inclusive growth as "[…] growth that is both sustainable & broad-based in terms of employment opportunities" (Khan 2012: 16) increasing international concern ➔ reflected in SDGs' commitment to "inclusive & sustainable economic growth"

- Economic growth not gender-neutral ⬅ yet, inconsistent evidence on how growth influences gender equality

- Country studies provide more i. nuanced understanding of channels through which macro-economic development & gender inequality intersect ➔ ii. entry points for policy

Growth: good for women ?

Growth: at women's expense?

Pakistan: growth without gender equality

- Country has witnessed periods of high GDP growth alongside continued stark gender inequalities

- Women's marginalisation rooted in classically patriarchal gender order (Kandyoti 1988) ➜ women regarded as inferior, expressed in women's poorer health, education & political representation

- Policy Vision 2025 addresses both inclusiveness of growth & gender inequality

Sources: PBS, SBP
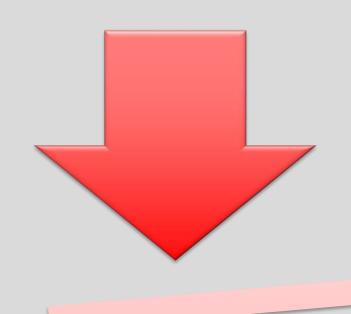
— Gender gap literacy 10+ (% points)

— GDP growth (annual %)

Questions

"One approach to assessing the impact of growth on gender equality is to directly assess the growth elasticity of female and male employment. […] This is a useful exercise since gender job segregation is pervasive and there is no guarantee that job creation will equitably benefit women and men." (Seguino & Were 2014: i34)

1. Has macro-economic growth been associated with different sectoral employment elasticities for women & men in Pakistan?

2. If yes, how can these differences be explained?

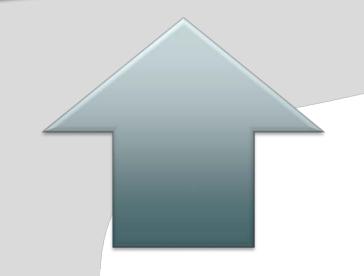# Theoretical perspectives on female growth elasticities of employment

Growth: good for women?

economic growth to undermine gender-based inequalities (+)

shift towards industry to lead to change in gender norms, enabling greater female labour force participation (+)

Growth: at women's expense?

feminisation of agriculture in early stages of economic development (+)
export competitiveness based on women's low-paid labour (+)

Calculating gendered elasticities

- Data
  (sectoral) GDP data ← State Bank of Pakistan (SBP), deflated with 1980 as base
  (sectoral, gendered) employment data ← Labour Force Survey (LFS)

- Estimation 5-year point elasticities (Kapsos 2005) for 1991-7, 1999-2005, 2005-9:
  $$ln\mathrm{E}_{ijk} = \alpha + \beta ln\mathrm{Y}_{ik} + u_{ijk}$$

- With: E_i=employment year i by gender j in sector k (millions)
  Y=output (million PKR)

Female to male point elasticities in Pakistan, 1991-2009

compensating price squeeze after ATC expiry through lower-paid female employment

greater female than male employment losses due to multiple crises

preferential male employment in formal services after investment liberalisation

feminisation of agriculture in response to drought / male migration, associated with precarious work

Agriculture   Industry   Services

- 1991-97
- 1999-2005
- 2005-09

Explaining gendered elasticities

$$\varepsilon = f(U, W, HC_{f/m}, S, GI)$$

With

- U: Industrial upgrading (as % high technology exports in manufactured exports) ≈ assumed to lead to preferential employment for men (⬇)

- W: Gender wage gap (as female/male wage ratio) ≈ assumed to lead to preferential employment for women (⬆)

- $HC_{f/m}$: Gendered human capital (as fe/male literacy in %) ≈ assumed to enhance labour productivity (⬆)

- S: Sectoral controls for agriculture & industry (services as reference)

- GI: Gender inequality (maternal mortality) ≈ effect?

Mean model variables, 1990-2009

Variable	Mean (SD)
High technology exports (% of manufactured exports)	0.64 (0.65)
Female literacy (%)	35.41 (6.64)
Male literacy (%)	60.96 (5.63)
Female/male wage ratio	0.65 (0.10)
Maternal mortality (per 100,000 live births)	315.19 (74.43)

Source: World Bank (2016)

Estimates of gendered employment elasticities of growth in Pakistan, 1990-2009

technology-intensive development lowers growth responsiveness

*gender **wage inequality (↑**) reduces growth responsiveness of women's employment!?*

*secular improvement in **education** matters for growth inclusiveness…*

*… yet, effect withers in once control for **patriarchal gender order** is included*

	Model 1		Model 2	
	Female	Male	Female	Male
High technology exports (%)	-5.564	-3.082*	-3.821	-3.127*
	(4.641)	(1.719)	(4.783)	(1.824)
Female/male wage ratio	0.314**	0.016	0.289**	0.016
	(0.133)	(0.043)	(0.132)	(0.043)
Female literacy (%)	1.175***		-0.097	
	(0.402)		(1.149)	
Male literacy (%)		0.357**		0.377
		(0.177)		(0.307)
Agriculture dummy	0.992	-0.057	0.992	-0.057
	(1.378)	(0.428)	(1.353)	(0.428)
Industry dummy	-1.823	-0.011	-1.823	-0.011
	(1.378)	(0.428)	(1.353)	(0.428)
Phase dummy (2003-9)	-4.75	0.59	-5.405	0.626
	(4.624)	(1.46)	(4.574)	(1.526)
Maternal mortality rate			-0.113	0.002
			(0.096)	(0.018)
Constant	-55.664***	-20.305*	24.938	-21.993
	(19.205)	(12.14)	(71.037)	(23.994)
Observations	36	36	36	36
R-squared	0.28	0.165	0.306	0.165

Conclusions & outlook

1. Women loose out in macro-economic 'business as usual' ← both higher (agriculture & industry) & lower (services) female elasticities underpinned by women's marginalised position in society & labour market ➔ gender-sensitive policy of wage-led growth required

2. Optimistic human capital narrative questioned by effect of proxy for gender order ➔ important role of school curricula & media in changing gender stereotypes

3. Need for gap research ← i. existing data biased towards industrial sector, ii. intersection with reproductive economy invisible, iii. qualitative features of employment relevant for assessment of how empowering growth is

Thank you !