IMPACT OF FAMILY BACKGROUND, NEPOTISM AND CRONYISM ON WOMEN EMPLOYMENT STATUS IN PAKISTAN

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HIGHLIGHTS

- Family background has a positive impact on women employment in which and household head education shows positive and significant relationship.
- Due to increase in the number of family members working public sector job prospects for their women increases.
- The effect of cronyism is positive on women employment and the workers of ruling party have more bright prospects to get jobs.
- Though the ignorance of meritocracy has highly increased especially in public sectors but it is helpful in increasing female labor force participation.

ABSTRACT

Female labor force participation is widely discussed issue in all over the world. Previous literature shows that women employment was mainly affected by family background but the current research shows that women employment is also affected by some external factors such as nepotism and cronyism. Results are revealing that though nepotism and cronyism has negative affect on economic progress but it has positive impact on women employment. Binary logit model has been used to find the impact of different factors. The results showed that the education of household has positive and significant relationship with job status. According to the results all variables of family background has strong impact on women employment. In private sector, the number of family members and nepotism has positive impact on employment status, because family firms appoint their relatives on references basis. Significant and positive impact of political affiliation revealed that the cronyism has also positive relation with employment.

Introduction

The status of women in developing countries is one of the systematic gender subordination even though it varies considerably across classes, regions and the rural/urban divide due to uneven socio-economic development and the impact of tribal, feudal, and capitalist social formations on women's lives. Cultural and family background play an important role as an antecedent of low female labor force participation (Faridi et al., 2009; Ejaz, 2007; Bibi and Afzal, 2012). Women in developing nations are not able to participate in social, political and economic activities because of low education and low part in decision making at home and work places which make them unable to compete in jobs opportunities (Herz and Sperling, 2004; Trommlerova et al., 2015; Allendorf, 2007; Hindin, 2000; Kim *et al.*, 2007; Thomas, 1997; Jejeebhoy, 2000; Malhotra & Mather, 1997). Women's educational attainment create differences in countries with conservative gender norms in which women employment is considerably lower than in more liberal countries (Khurshid, 2016).

Women in Pakistan are playing effective role from many decades but they are working in informal sectors such as work in fields with their male counterparts and work as a housewives which has no economic value. Informal sector is non-measureable in economic activity

but a woman plays main role in management of household expenditures than man (Avazalipour et al., 2012; Sarwar & Abbasi, 2013). Like developing countries women in Pakistan have also low participation in mainstream economy. According to the World Economic Forum, Pakistan ranked 134th out of 135 countries in Global Gender Gap. According to United Nation Development Program (UNDP), Pakistan ranked 123 out of 148 countries in Gender Inequality Index (GII). These statistics show extremely low women empowerment in Pakistan. The main reasons are low literacy rate and male dominated society that leads to women dependency on male members of their family. It is crucial that women take part in economic activities as women population is increasing and current population is 48.6% out of total. In previous two decades, despite a slow increase in women's participation in workforce, a mere 22% woman took part in economic activity as compare to 67.8% of men which is lowest in the region, second only to Afghanistan. In Pakistan, only 3 to 5 percent of women have bank accounts which show low financial empowerment of women. In Pakistan, women employment situation is further aggravated due to male female wage gap which is now 67% and low women labor force participation in formal sector which is now only 3 percent. These

problems can only be sought out by providing women with equal education and job opportunities.

Nepotism is menace mainly linked with corrupt countries. The term nepotism comes from Latin word for grandson or nephew. Nepotism is preferential treatment from owners or managers for their family members for jobs in public or private sectors by ignoring meritocracy (Jaskiewicz et al., 2013; Arasli & Tumer, 2008; Ford & Mclaughlin, 1985; Jones, 2006). Nepotism is global phenomenon in both developed and developing countries but particularly in corrupt developing countries (Boutilier, 2009). Researchers have discussed different forms of nepotism; cross generational nepotism refers to hiring family members from different generations which mostly happens in family owned business, paired employees refers to husband and wife relationship in the office (Padgett & Morris, 2005). Cronyism is another complex wide practicing phenomenon in which preference is given to politicians particularly to cronies which means close friends and family members of politicians against merit

system (Gajduschek, 2007; Zhang and Li 2003). In cronyism, due to political influence meritocracy is ignored by officials.

Different studies of social, political and economic areas show that informal channels such as nepotism, favoritism and cronyism have negative impact on employment, workers wage rate, job satisfaction, individual's performance and organization's characteristics (Arasli et al., 2006; Ponzo & Scoppa, 2010). Informal networks are mostly practiced in developing countries by low-educated people and in low-productivity works. The purpose of this study is three fold: first, effect of family background on women employment; second, to check the effect of employment of family members in public and private sectors on women job status; third, effect of political affiliation on women employment status. This will lead towards the reason of low female labor force participation in the economy.

Methodology

Personal interview technique is used to collect data from females through a well-defined and pretested questionnaire. The current study was conducted in Pakistan's district, Sargodha. For this purpose total 450

female respondents were selected conveniently from three tehsils of Sargodha including Bhalwal, Kot Momin and Sargodha. The distribution of sample size is given in table 1.

Table 1: Distribution of Sample Size

Tehsil	Sample Size
Bhalwal	150
Kot Momin	150
Sargodha	150

The dependent variable used in the current study is binary and assumes to have only two values of 1 and 0 for a person doing job and jobless respectively. For finding this qualitative response variable binary logit model is used (Gujarati, 1995; Greene 1997).

Logit (E [Yi/ Xi] = Logit (Pi) = Ln [Pi/1-Pi] = $\beta_i X_i$ + e (1)

Where, "P" is the probability that a person is doing job. It has two binary values (0, 1) because it is not

directly observable. "1" if a person has job and "0" otherwise. "e" is the exponential value.

Binary logistic regression model is given below.

$Y = \beta_o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \beta_{11} X_{11} + \beta_{12} X_{12} + \mu$
        (2)

The details about the variables are given in the table 2 as below;

Table 2: Explanation of Variables of the Study

Y/X	Variables	Explanation
Y	Employment Status	1= if a candidate is doing job, 0= otherwise
X_1	Region	Urban=1, Rural=0
X_2	Age	Years
X_3	Education	No. of schooling years
X_4	Marital Status	Single=1, Married=0
X_5	Education of Household Head	No. of schooling years
X_6	No. of family members working in Public sector	No. of family members working in Public sector
X_7	No. of family members working in private sector	No. of family members working in private sector
X_8	No. of close relatives in public sector	No. of close relatives in public sector
X_9	No. of close relative in private sector	No. of close relative in private sector
X_{10}	Less experience	Experience of two or more than 2 years (1 for $\geq$ 2 years, 0 for < 2)
X_{11}	More Experience	Experience of three or more than three years (1 for $\geq$ 3 years, 0 for < 3)
X_{12}	Political affiliation	Political affiliation with ruling party (1 for PMLN and 0 for other

Results and Discussion

The collected data showed that there were 256 respondents' belonged to rural areas including 124 jobless and 132 were having employment. While on the other hand there were 194 female belonged to urban area including 101 jobless and 93 females were having employment. Data is collected from rural and urban area of district Sargodha. Jobless respondents from rural area are 124, jobholders 132 total 256 respondents from rural area. Jobless from urban area 101, jobholders 93 and total respondents from urban area are 194, total jobless respondents from urban region are 225, and jobholder respondents from rural region are also 225. So 48.43% respondents are jobless at rural area and 51.56% are jobholders.52% without job at urban area and 47% jobholders. These estimations were made from the data given in the table 3.

Table 3: Distribution of respondent's employment status with respect to region

Region	Jobless	Job holder	Total
Rural	124	132	256
Urban	101	93	194
Total	225	225	450

Source: Author's calculations

The data collected showed that 46.875% jobless respondents qualification level is B.A and 47.67% are jobholders. 48.16% M.A qualified are jobless and 51.83% are jobholder. 51.51% of M. Phil. Degree holders are jobless and 48.48% are jobholder. Over all 50% respondent have job and 50% are without job. These estimations were made from the data given in the table 4.

Table 4: Distribution of respondents according to education level and employment status

Education level	Years of education	Jobless	Job holder	Total
BA	14	90	82	172
Masters	16	118	127	245
MPhil	18	17	16	33

Source: Author's calculations

Respondent are distributed into two categories married and unmarried as shown in table 5. Among all the respondents 53% married female are jobless and 46% are jobholder. 48.75% single women are jobless and 51.25% are jobholders.

Table 5: Distribution of respondents according to marital status and employment status

Marital status	Jobless	Job holder	Total
Married	69	61	130
Single	156	164	320

Source: Author's calculation

The table 6 represents the respondents employment status verses family members in public sector jobs. Column 1 shows the family members in public sector job and column 2 shows jobless respondent, column 3 shows jobholders, column 4 shows total number of respondents.

Table 6: Respondent's employment status verses family members in public sector

Family members in public sector	Jobless	Job holder	Total
0	107	146	253
1	45	35	80
2	37	28	65
3	25	10	35
4	9	4	13
5	2	2	4
Total	225	225	450

Source: Author's calculations

Table 7 shows the overall descriptive analysis of study column 1 represents variables, column 2 represents number of observation column 3 and 4 show minimum and maximum values, column 4 and 5 show mean and stander deviation. Mean value of employment shows that 50% women are under job and 50% are jobless.

Descriptive analysis has revealed that people are agree that nepotism and cronyism exists in our society as average value of political affiliation 0.4356 explained that 43% women are affected by nepotism and 57 % women believe that there is no effect of nepotism on jobs. Job status is affected by family back ground also.

Table 7: Summary statistics of the variables used in the model

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Y	450	.00	1.00	.5000	.50056
X1	450	.00	1.00	.4311	.49578
X2	450	16.00	35.00	25.8956	3.66653
X3	450	14.00	18.00	15.3822	1.20157
X4	450	.00	1.00	.7111	.45375
X5	450	.00	18.00	9.3222	5.60390
X6	450	.00	5.00	.8600	1.18470
X7	450	.00	5.00	1.2244	1.27187
X8	450	.00	10.00	2.2733	2.66687
X9	450	.00	10.00	3.2933	3.20331
X10	450	.00	3.00	.2200	.43566
X11	450	.00	1.00	.1356	.34270
X12	450	.00	1.00	.4356	.49638

Source: Author's calculations

Age is one of the most important factor and has a positive and significant effect on women jobs. Age play remarkable role to allocate women in earning and non-earning activities. Education of female has a positive impact on employment level. Highly qualified females have more interest to participate in economic activities rather than low qualified female. Education of women is directly linked with family decision in Pakistan. As shown in table 8 marital status also has a positive relationship to employment level, married women have household responsibilities and they have no time to take part in market activities. Another reason is the male domination and many women are facing restrictions from their husbands and in-laws. Single females are more interested in getting jobs.

The education of household head has positive impact on women employment. Educated decision maker allow women to go out for higher education to take part in economic activities and if women take part in market activities this will leads towards sustainable development in our country. Family members in public sector jobs have negative and non-significant relationship to female employment if all male members taking part in public

4

sector jobs and earning well then they do not permit their female to come out of house.

Table 8: Factors affecting the female employment Status

Variables	B	Std. Error	T	Sig.
(Constant)	.111	.311	.358	.721
X_1	-.026	.044	-.587	.558
X_2	.001	.007	.089	.929
X_3	.010	.018	.563	.574
X_4	.049	.058	.847	.398
X_5	.005	.004	1.200	.231
X_6	-.049	.018	-2.670	.008***
X_7	.003	.017	.163	.871
X_8	-.017	.009	-1.872	.062*
X_9	.020	.007	2.662	.008***
X_{10}	.380	.064	5.981	.000***
X_{11}	.254	.081	3.116	.002***
X_{12}	.098	.043	2.254	.025***
R	.518	Sig.	.000a	
R square	0.268	F statistic	13.335	
Adjusted R Square.	.248			

Note: * and *** indicate significance at 10 and 1%, respectively.

Family members to private sector job have positively related to jobs status, because at private sector they may not be satisfied with salary and work load they allow their women to come out and take part in labor force participation. Relatives to public sector have negatively non-significant relation relative to private sector which may prefer to their own family members in getting jobs rather than any other. Relative in public sector have positively significant relationship with women employment. In this the factor of nepotism is present in private sector because while appointing for jobs private sector employees prefer their family members which leads to impress women to take part in economic activities and another reason is that private firms mostly appoint their family members which is showing nepotism effect (Cucculelli & Micucci, 2008; Riggio & Riggio, 2013). Experience is also highly positive the women that have 2 or more than two years job experience it is easy for them to getting job. Political affiliation has also positive impact on women employment because today our society is badly affected by favoritism and cronyism in which people easily get job on the behalf of any sort of political affiliation as the women who are worker of rolling party have easy access to get job as compare to others.

Conclusion

The purpose of the research was to check the effect of internal and external factors that affect women employment status. The result showed that the women employment in Pakistan is positively affected by the family background. Marital status and household head education show positive and significant relationship with women job status. Nepotism has a positive effect on job status in public sector as the number of family members in public sector will increase the jobs prospects for women will also increase. The effect of cronyism is also positive on women employment as the workers of ruling party have more bright prospects to get jobs. Though ignorance of meritocracy has highly increased especially in public sectors but it is helpful in increasing female labor force participation. For increasing female participation in economic activities the women education is necessary step that must be taken by government. To eliminate the menace of nepotism and cronyism with increase in women employment, government should take steps to increase women empowerment such as education of women, women quota in jobs and convenient working conditions. It is inevitable to take right steps by government to improve women labor force participation and regulation of merit system in public and private sectors.

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