

## WOMEN IN INFORMAL SECTOR – A PROBIT ANALYTICAL STUDY

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Women community equals men in population. But it is a subject of concern to note that, women are treated as second citizens, subordinate to men. According to World Labour Report (1992), in advanced countries, in organized sector, women's pay has been around 50% of the men's pay. Similar views were highlighted in the United Nation's Report (1995) which stated that the returns on her labour are lower than that of men, partly because of over discrimination, partly because she has acquired fewer marketable skills and partly because of imperfections in the market forces. As a result, women are frequently confined to less paid and casual segments of the labour market.

In India, women constitute nearly 48% of the population but their participation in economic activity is only 25.7% (Census, 2001). Besides, their work in the production of goods and services for the market do not get compounded in the market oriented concepts of income and employment due to its being seasonal, intermittent, casual and subsidiary to their household work (Dhameja, 2004). Women are unpaid and underpaid. They work for longer hours than men yet their work is not recognized. The Shramsakthi Report (1988) stated that 'In India, women work for longer hours and contribute more than men in terms of total labour energy spent, with the workday of 10 to 12 hours of unpaid labour outside the home'. Women are deprived and marginalized. The effect of this economic inequality is mirrored in the social scenario, where a

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small percentage of population is becoming more and more prosperous and nearly two-thirds of the population still remains poor and untouched of technological progress.

Empowerment of women is a critical factor in the eradication of poverty, as women are the key contributors to the economy and the key to combat poverty through both remunerative and non-remunerative work at home, in the society and in the work place (UN Report, 1996). Empowerment helps them gain greater share of control over material, human, intellectual and financial resources and control over decision-making in the home, community and the society. It enables women to acquire and possess power to take decision on their own or resist decisions that are made by others that affect them.

\*Women's participation in income generating activities is believed to increase their status and decision making power. It has helped women realize their potential, broaden their outlook and create a new meaning in their lives. With employment, women do not remain as objects of social change but become agents of it. They cease to be 'consumers' of economic goods and services and turn into 'producers'. They participate in social reproductions as well as reproduction of labour for the next generation (ILO, 1984). They play a crucial role in the family and the community by shouldering all the responsibilities of the family.

The economic development of any society is determined by the strength of its physical, financial and human resources. So the present study is an attempt to examine the impact of employment on the decision making capacity of the working women.

### Objectives

The objectives of 'Women in Informal Sector – A Probit Analytical Study' are

- To identify the various socio-economic factors that forced women into workforce.
- To assess the impact of women's employment on decision making capacity.

### Hypothesis

The study tested the following null hypothesis.

- There is no association between decision to work and socio-economic factors.

- There is no association between employment and decision making capacity.

## Methodology

Based on purposive sampling technique, about 100 respondents were selected from Coimbatore city out of which 50 were working and 50 were not working outside their home. The responses were elicited through a personally administered detailed interview schedule. The required data were collected through personal interview method. Using the limited category response method, the respondents were asked to mark their perception on a five point scale and factor analysis was used.

A methodology of appropriate tools and techniques of analysis was adopted for the study.

The statistical tools and techniques used in the analysis are

- Chi-square test
- Probit Analysis
- Average score

## Findings

The sample women respondents in the study were teachers (68%), office assistants (8%), public relation officer (6%), lab assistants (4%), store keeper (4%), software programmer (4%), doctor (2%), personal assistant (2%) and running school of arts (2%). Women's employment has a greater impact on the empowerment traits. However the decision to work among the women depends on various socio-economic conditions.

To find out whether the decision to work by the women was independent of factors such as 'type of family', 'marital status', 'education', 'number of dependents', 'husband's income' and 'age of the employed women', Chi-square test was applied.

## Quantification of the Variables

'Type of family' refers to the categorization of 'nuclear' and 'joint families'. Nuclear family was allotted numerical value '1' and for joint family '2'.

For marital status the values were assigned as follows: married '3', widow '2' and separated '1'.

For educational level the following numerical values were assigned. For women having 'high school' level of education '1', 'HSC/ Diploma' '2', 'degree' '3' and 'post graduate' '4'.

'Age of the women' refers to age of women at the time of interview. It was measured in number of years. 'Number of dependents' refers to the children less than 6 years and elders in the family.

The null hypothesis tested was

Ho: Decision to work by the women is independent of 'type of family'/ 'marital status'/ 'education'/ 'age'/ 'dependents' and 'husband's income'.

Ha: It depends on the chosen variable.

The calculated  $\chi^2$  values are shown in Table 1. It is revealed from the table that the calculated  $\chi^2$  value for 'education' was statistically significant. Therefore there is a relationship between 'education' and 'work status'. Higher the education higher will be the tendency to enter into job market. Similarly 'dependents' in the family had an impact on (at 5% level) work status of the women. As the economic burden increases, the tendency to work also increases. The remaining variables had an insignificant association with the decision to work by the women.

**Table 1**

**Association of Decision to Work with Selected Variables -  $\chi^2$  Values**

Sl.No.	Variables	Chi-square	Inference
1	Type of family	1.974	Independent
2	Marital status	3.093	Independent
3	Education	35.313*	Dependent
4	Number of dependents	8.737***	Dependent
5	Husband's income	21.701	Independent
6	Age (years)	26.701	Independent

Source: Calculation based on field survey, 2010

\*Statistically significant at 1% level

\*\* Statistically significant at 5% level

### Factors Determining the Decision to Work - Probit Analysis

With the given socio-economic conditions, an attempt was made to analyze those factors which determine the decision to work by women in a family. The decision to work equation estimation was in the form of

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \mu$$

Where Y = If the women participated in the labour force, dummy number '1' was assigned otherwise '0', X<sub>1</sub> – 'age', X<sub>2</sub> – 'educational level', X<sub>3</sub> – 'husband's income', X<sub>4</sub> – 'type of family', X<sub>5</sub> – 'children between 6 to 15' years of age, X<sub>6</sub> – 'children above 15' years, X<sub>7</sub> – 'dependents' and μ - random error term. If the educational level of the women is high, the tendency to work is stronger. Higher income has a negative impact on the work status of the women. Children of different age have a different impact on the work participation of the women. As the number of dependents increases, the work participation of the women increases due to economic burden. The above model was estimated using probit method of analysis. The results are presented in Table 2.

**Table 2**

**Probit Model for Work Participation of Women**

Sl.No.	Variable	Slopes	't' value
1	Constant	-5.632	-3.522*
2	Age	0.230	0.560
3	Education	1.276	5.356*
4	Husband's income	-0.127	-0.797
5	Type of family	5.015	0.000
6	Children between 6 to 15	5.633	0.000
7	Children above 15 years of age	1.260	2.640***
8	Dependants	-4.872	0.000

Chi square -53.46792\*

Source: Based on primary data, 2010

\* Significant at 1% level

\*\* Significant at 10% level

Among the selected factors, 'women's education' and the number of 'persons in the age group of above 15' years of age in the family were statistically significant to determine the decision to work. They were positively related with the decision to work. It implies that the decision to work had increased along with the level of education and the number of persons in the age group of above 15 years of age. The estimated chi square value was statistically significant. Hence the whole model was significant to determine the decision to work. 'Husband's income' reveals an insignificant impact on the decision to work. Dependents impact has been negative and insignificant. In case of 'age', 'type of family', 'children between 6 to 15' years was found to be positive but was insignificant. The findings reveal that children above 15 years and education did tend to encourage women into the labour market. The above findings were in contrary to the earlier findings stated in the study by Geetha (2010), whereby the women in slum areas didn't participate in labour force due to the presence of young children below six years and elderly dependents. But with age and growing children, the tendency to enter into the labour market was more.

### Decision Making Status

Decision making is a significant facet of day today life. It directs the things to happen, instead of letting it to happen. There is a general impression that women's working outside home improves their participation in decision making activities. It exposes women to external world and is liable to develop new outlook towards life, new aspirations and awareness about their place in society. Devi and Rayalu (2002) studied that working women perceived higher levels of empowerment in all the aspects related to self decisions than non-working women. The study showed that access to economic resources enhanced women's empowerment status in the family.

But it may also happen that the housewives because of better availability of time and specialization in different household activities are likely to wield higher influence in decision making on the home front.

The decision making areas were identified as (i) 'children's education', (ii) 'family expenditure–cloth/rent/food', (iii) 'family responsibility', (iv) 'children's marriage', (v) 'savings', (vi) 'buying vehicles /furniture/durables', (vii) 'buying house/land', (viii) 'buying jewels', (ix) 'attending social responsibilities', (x) 'entertainment', (xi) 'health' and (xii) 'women's decision to work'.

The selected women respondents were asked to indicate their decision making capacity in their family affairs on a five point scale viz, 'highly increased', 'increased', 'neutral', 'decreased' and 'highly decreased'. The responses were weighted as +2, +1, 0, -1 and -2 respectively. The total weighted score for each of the areas were calculated and the average scores were derived. These are presented in Table 3.

**Table 3**

**Average Score of the Problems of the Entrepreneurs**

Sl.No.	Variables	Working Women	Non-working Women	Total
1	Children's education	0.94	-0.44	0.69
2	Family expenditure–cloth/rent/food	0.98	0.16	0.57
3	Family responsibility	1.24	0.18	0.71
4	Children's marriage	0.3	0.04	0.17
5	Savings	1.1	0.5	0.8
6	Buying vehicles /furniture/durables	0.66	-0.6	0.03
7	Buying house/land	0.42	-0.56	-0.07
8	Buying jewels	0.84	0.7	0.77
9	Attending social responsibilities	0.86	0.36	0.61
10	Entertainment	0.44	-0.12	0.16
11	Health	0.58	0.54	0.56
12	Women's decision to work	1.32	-0.1	0.61

Source: Calculations based on the primary data

If the average score is nearer to '2', it implies that the respondent's decision making capacity had highly increased. And if the average score is closer to '-2', it implies that the

respondent's decision making capacity had highly decreased. The average score thus lies between +1.32 and -0.6.

It is clear from Table 3 that decision making capacity of 'working women' and 'non working women' was incompatible to each other. While considering 'working women', their decision making capacity had highly increased in the areas of (i) 'women's decision to work (score 1.32)' (ii) 'family responsibility (score 1.24)' and (iii) 'savings (score 1.1)'. It has increased to some extent in areas such as (i) 'family expenditure—cloth/rent/food (score 0.98)', (ii) 'children's education (score 0.94)', (iii) 'attending social responsibilities (score 0.86)', (iv) 'buying jewels (score 0.84)', (v) 'buying vehicles /furniture/durables (score 0.66)', (vi) 'health (score 0.58)', (vii) 'entertainment (score 0.44)' and (ix) 'buying house/land (score 0.42)'. The respondent's capacity to take decisions had neither increased nor decreased in case of 'children's marriage (score 0.3)'.

An examination into the status of 'non working' women in decision making capacity in home affairs, revealed that the women's decision making capacity has increased only to some extent in the areas of (i) 'buying jewels (score 0.7)', (ii) 'health (score 0.54)', (iii) 'savings (score 0.5)' (iv) 'children's education (score 0.44)', (v) 'attending social responsibilities (score 0.36)', (vi) 'family responsibility (score 0.18)' and (vii) 'family expenditure—cloth/rent/food (0.16)'. Their decision making capacity had neither increased nor decreased in case of (i) 'children's marriage (score 0.04)', (ii) 'women's decision to work (-0.10)' and (iii) 'entertainment (score -0.12)'. The women's capacity to take decisions had decreased in areas such as (i) 'buying vehicles /furniture/durables (score -0.6)' and (ii) 'buying house/land (score -0.56)'.

On the whole, the women community experienced an increased decision making capacity in most of their family affairs. The advancement was in the areas of (i) 'savings (score 0.80)', (ii) 'buying jewels (score 0.77)', (iii) 'family responsibility (score 0.71)', (iv) 'children's education (score 0.69)', (v) 'women's decision to work and attending social responsibilities (score 0.61)', (vi) 'family expenditure—cloth/rent/food (score 0.57)', (vii) 'health (score 0.56)' (viii) 'children's marriage (score 0.17)' and (ix) 'entertainment (score 0.16)'. Their decision



making capacity remained neutral in case of (i) 'buying vehicles /furniture/durables (score 0.03)' and (ii) 'buying house/land (score -0.07)'.

To find out whether decision making status of the women was independent of 'type of family', 'marital status', 'education', 'number of dependents', 'husband's income', 'age', 'caste' and the 'women's income', chi square test was applied with the decision making score.

The null hypothesis tested was

Ho: Decision making status is independent of 'type of family', 'marital status', 'education', 'number of dependents', 'husband's income', 'age', 'caste' and the 'women's income'.

Ha: It depends on the chosen variable.

**Table 3**

**Association of Decision Making Status with Selected Variables -  $\chi^2$  Values**

Sl.No.	Variables	Chi-square	Inference
1	Type of family	4.761	Independent
2	Marital status	36.598*	Dependent
3	Education	23.401**	Dependent
4	Number of dependents	21.950*	Dependent
5	Husband's income	62.796	Independent
6	Age (years)	110.184**	Dependent
7	Caste	5.971	Independent
8	Women's income	83.092**	Dependent

Source: Calculation based on field survey, 2010

\*Statistically significant at 1% level.

\*\*Statistically significant at 5% level

The above table provides the calculated  $\chi^2$  values. From table 3 it could be found that 'marital status', 'education', 'number of dependents', 'age' and 'women's income' had a greater

impact on the decision making status. With increase in 'age' and 'education', the tendency to decide on various issues also increased. Moreover, as income of the women exists, their decision making capacity increased.

### Conclusion

Around 26% of women participate in economic activity in India. This participation in income generating activities was believed to increase their status and decision making power. It helped women realize their potential and shoulder the responsibilities in the family. The present study's attempt to examine the impact of employment on the decision making capacity of the working women revealed an impressive fact that there was a remarkable advancement in decision making capacity of working women to that of non working women. The working women enjoyed a higher level of freedom to take decisions in most of their home affairs when compared to non working women. Hence efforts should be taken to educate women to enter into the work force to reap the real benefits of women empowerment.

### Suggestions

- Governmental efforts should be taken to bring more women under higher educational system.
- Non working women should be motivated to share the financial burden of their families which would help improve women's status in family and society.
- As husband's higher income has a negative impact on women's work participation, a psychological approach to women should be made to make them identify their importance of self reliance without disturbing their family bondage. NGOs could be involved in such impartation.

### References

<http://www.socialmarketinghub.com/gender-equity-woman-empowerment/>

<http://etd.uasd.edu/ft/th8670.pdf>