

**GENDER INEQUALITY  
IN DEVELOPING COUNTRIES:  
A CASE STUDY OF PAKISTAN**

**SPDC RESEARCH REPORT**

**GENDER INEQUALITY  
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## **GENDER INEQUALITY IN DEVELOPING COUNTRIES: A CASE STUDY OF PAKISTAN**

The issue of women's status, autonomy and equality has frequently been raised internationally on the premise that a nation cannot progress when a vast segment of society is deprived of its due share and not allowed to play its role properly. Inequality between women and men limits productivity and ultimately slows economic growth. Both theory and empirical evidence point to the importance of human capital in creating the necessary conditions for productivity growth and in reducing aggregate inequality in the future. In addition, women's human capital generates benefits for society in the form of lower child mortality, higher educational attainment, improved nutrition and reduced population growth. [Rosenzweig and Schultz (1982) (1987), Summers (1994), Chatterjee (1991)].

Pakistan ranks high in gender inequality compared internationally. An examination of three major development indicators: educational attainment, life expectancy and economic participation outside the household, reveals the high level of inequality in Pakistan compared to other countries at comparable level of development. Compared internationally, Pakistan also ranks very low in social development indicators. These factors are beginning to hamper the economic growth of the country [Social Development in Pakistan, (1998)]. Can the low level of social development indicators in part be attributed to the high level of gender inequality in the country? Empirical International and Pakistani evidence indeed suggests a strong link between the two.

The objectives of this paper are twofold: first, to quantify the extent of gender inequality in Pakistan and to see if it has persisted at a high level, or there has been a decline in the trend. Second, to analyse the determinants of gender inequality in the country? We start with a discussion of causes of gender inequality in section 2. Section 3 describes the methodology used to quantify the magnitude of disparity between genders and highlights the trend in the derived index. Section 4 identifies the factors which have contributed to the level of gender inequality in Pakistan. Results of the analysis and emanating policy implications are presented in section 5. Finally, section 6 presents summary and conclusions.

## **SECTION 2: CAUSES OF GENDER INEQUALITY**

Causes of gender inequality are complex, linked on the one hand to institutional and socio-cultural norms operating in the labor market and on the other hand to factors which influence the intra-household decisions making process, especially with respect to the time devoted by members of a household to different activities and the distribution of household expenditures on food, health, education, etc.

The literature highlights the role of institutional factors, which create labor market imperfections, whereby there is discrimination against female workers arising either from job segregation or unequal pay for equal work or less investment in training by employers or lack of support services for working mothers. In addition the lack of access to financial services, to land, to information and technology exacerbate the unequal treatment of women.

There is no doubt that female entry into schooling, the labor market and other activities outside the housing unit is directly affected by the extensive amounts of time that they traditionally devote to household maintenance and family care such as child care, food preparation, subsistence farming and livestock management as well as collection of water and fuel wood. This allocation of functions within the household is not necessarily a reflection of a rational division of labour but perhaps more of a consequence of prevailing customs and societal norms.

Kawabata and others [1995] indicate that the discriminatory institutional norms in the labour market, leading to job segregation and wage disparities, reinforce the biased intra-household allocation of resources. A vicious circle ensues whereby household invest less in the education or health of daughters than in sons in the belief that investment in girls yield fewer returns.

In the context of Pakistan, the perception of gender inequality is reinforced by the view that women's legal status and social positions are worse in Muslim countries than elsewhere. According to the orthodox Islamic view, women are primarily wives and mothers and gender segregation is customary. The empirical evidence to support this assertion is that Muslim societies are generally characterised by higher-than-average fertility, higher-than-average mortality and low ages of marriage of women.

Mogadem [1991] argues, however, that there at least three reasons why women's subordination in the Muslim world, cannot be attributed solely to Islam. First, adherence to strict Islamic percepts

(the Sharia) and application of Islamic legal codes vary throughout the Muslim world. Second, women's legal and social positions are quite variable. Third, gender relations in Muslim societies are determined by such factors as state ideology (regime orientation), level of economic development and integration into the world system through capital flows and trade. For example, in Islamic countries like Turkey, Indonesia and Nigeria, women have achieved considerable equality with respect to their male counterparts especially with respect to life expectancy and levels of literacy and schooling.

Beyond the institutional and cultural factors which can be considered as more enduring in nature, short term fluctuations in the degree of gender disparity can be attributed largely to variations in macro economic conditions, especially with regard to employment opportunities. Amartya Sen [1995] argues that gender divisions are intensified by high levels of unemployment, especially since entry of women into the labor force is hindered in times of general unemployment. Also, the discouraging effects of youth unemployment has been found to be particularly serious for young girls, whose re-entry into the labor market after a major bout of unemployment may be seriously impeded by early experiences of joblessness.

Kawabata, et al [1995] highlight the role of other macro economic factors in affecting the status of women. They argue that high rates of inflation place a disproportionate burden on the poor, especially women. An overvalued currency is also seen as unfavourable from the viewpoint of women. It keeps the price of imported goods artificially low, crowding out many locally produced

commodities by women in the informal sector. Also, employment of women tends to be proportionately concentrated in the labor-intensive manufactured goods export sector, which is depressed by an overvalued exchange rate.

### SECTION 3: MEASUREMENT OF AND TREND IN GENDER INEQUALITY

Literature generally focuses on three key development indicators for the construction of a development index [UNDP (1996)]. These include income, educational attainment (proxied by literacy and primary enrollment) and health (proxied by life expectancy and infant mortality). Likewise, four indicators have been used in this study to construct the composite index of gender inequality. These include: (i) literacy rate, (ii) school participation rate, (iii) life expectancy and (iv) labour force participation rate.

For a particular indicator, the index is constructed as follows:

$$I_i = \left[ \frac{S_W}{100} \% \frac{S_M}{R_i} \right]^{k1}$$

where  $S_W$  = share in the relevant population of women and  $S_M$  share in the relevant population of men, with  $S_W + S_M = 1$ .  $R_i$  is the ratio of the indicator for men with respect to the magnitude for women. The ratio is expressed as a percentage.

In the case of perfect equality,  $I_i = 100$ . If  $R_i > 100$  then  $I_i > 100$ . Alternatively, if  $R_i < 100$  then  $I_i < 100$ . The higher the magnitude of  $I_i$  the greater the inequality between genders. However, the index is relatively insensitive to large values of  $R_i$  and, therefore, reflects moderate aversion

to inequality. The weights for the four respective indicators are  $1/3$ ,  $2/9$ ,  $1/9$  and  $1/2$ , with the sum of the weights equal to 1.

The magnitude of the inequality index is given in table 1. The composite index is high, at 135, indicating a high degree of gender inequality in the country. Results reveal that gender inequality is most pronounced in labour force participation rate followed by literacy rate and school participation rate. Currently, female literacy rate is 32 per cent as compared to 56 per cent for males while school participation rate is 27 per cent and 73 per cent respectively for females and males. This low level of educational attainment hampers female participation rate, which is about 11 per cent only. Life expectancy is the only indicator in which the gender imbalance is reversed. It is slightly higher for females than for males.

There has, however, been a decline in the extent of gender inequality in the country over time (see chart 1). Gender inequality appears to have declined during the decade of the 70s, with improvement especially in female school participation rate in relation to males. The period of Islamisation during the General Zia-ul Haq military regime, however, reversed this trend and gender inequality increased once again in the first half of the decade of the 80s. The gains achieved during the 70s appear to have been largely lost during this period. Since then there has been some recovery in the relative position of women.



**TABLE 1**  
**MAGNITUDE OF GENDER INEQUALITY INDEX FOR PAKISTAN**

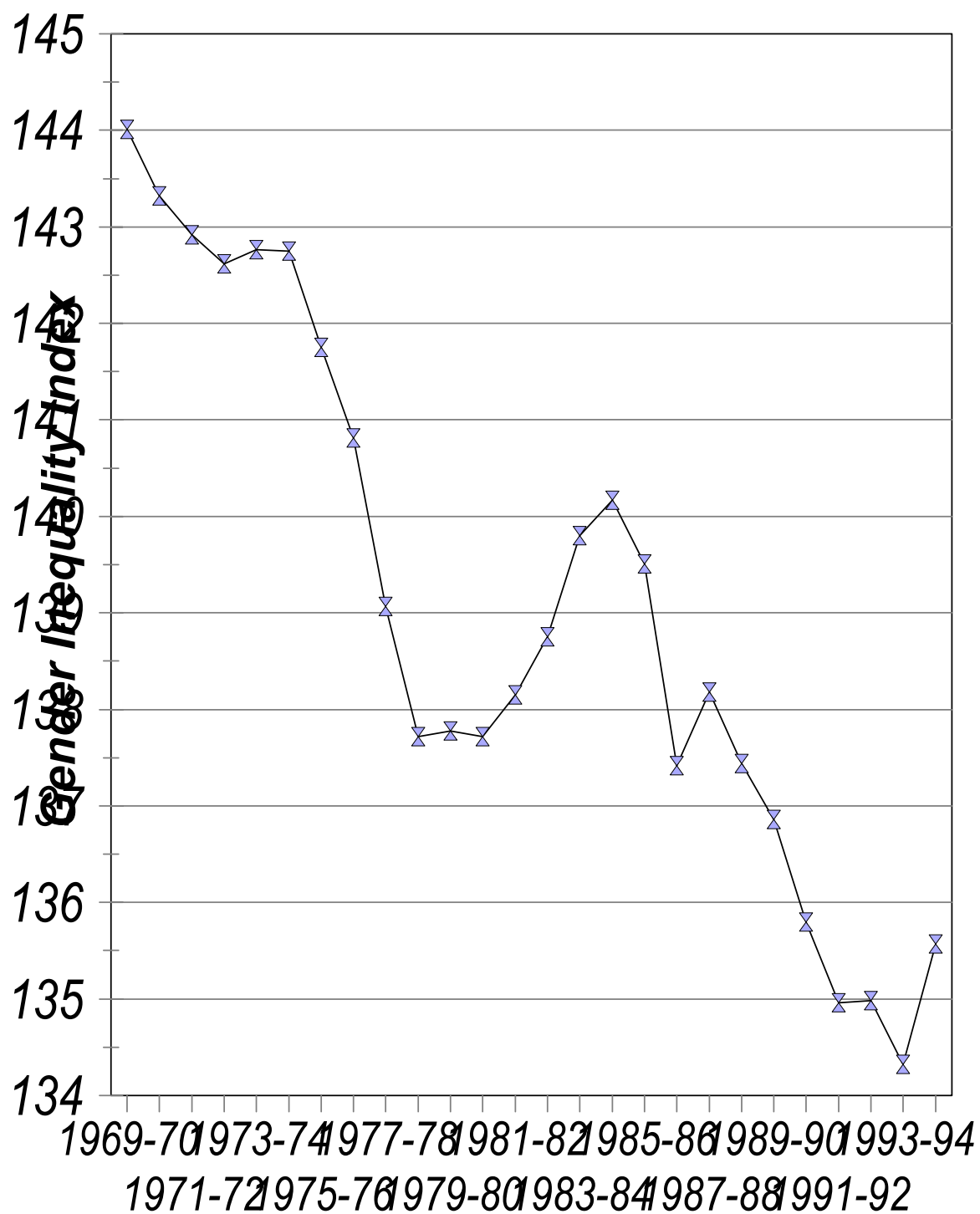
Years	Life Expectancy Rate	Literacy Rate	School Participation Rate	Labour Force Participation Rate	Composite Index of Gender Inequality
1969-70	100.95	146.48	145.26	185.01	144.01
1970-71	100.95	145.69	145.45	183.40	143.32
1971-72	100.71	144.39	144.75	183.54	142.92
1972-73	100.47	143.60	140.58	184.80	142.62
1973-74	100.23	142.79	140.67	186.00	142.76
1974-75	99.96	141.93	139.77	187.08	142.75
1975-76	99.72	141.12	139.50	184.95	141.75
1976-77	99.72	140.27	140.13	182.96	140.81
1977-78	99.72	139.46	134.82	179.85	139.07
1978-79	99.72	138.60	134.46	176.19	137.72
1979-80	99.63	137.74	134.46	177.09	137.78
1980-81	99.51	137.34	133.65	177.54	137.72
1981-82	99.39	138.47	133.02	178.41	138.15
1982-83	99.27	139.59	133.92	179.28	138.75
1983-84	99.15	140.72	136.53	180.90	139.80
1984-85	99.15	141.26	134.19	182.46	140.17
1985-86	99.15	140.31	132.57	181.59	139.51
1986-87	99.15	139.32	132.57	176.01	137.42
1987-88	99.06	138.38	131.67	179.34	138.18
1988-89	98.94	137.39	132.12	177.75	137.44
1989-90	98.85	136.40	133.47	176.28	136.86
1990-91	98.73	135.90	131.22	174.30	135.80
1991-92	98.73	135.90	130.95	171.87	134.96
1992-93	98.73	135.90	126.18	173.52	134.98
1993-94	98.73	135.90	122.94	173.19	134.32
1994-95	98.73	134.23	120.15	177.03	135.57

**TABLE 1**  
**MAGNITUDE OF GENDER INEQUALITY INDEX FOR PAKISTAN**

<b>Years</b>	<b>Life Expectancy Rate</b>	<b>Literacy Rate</b>	<b>School Participation Rate</b>	<b>Labour Force Participation Rate</b>	<b>Composite Index of Gender Inequality</b>
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# CHART 1

## GENDER INEQUALITY (



This trend in the composite gender inequality index was largely a consequence of a decline in the female participation rate and literacy rate during the first half of the 80's. A sharp decline in inequality in the school participation rate, in particular, has helped the recovery in the 90s.

#### **SECTION 4: CHOICE OF DETERMINANTS**

Based on the description of the causes of gender inequality in section 2, we now proceed to identify the determinants of change in this imbalance in the Pakistani setting. This involves selection of factors which are quantifiable and can, therefore, be correlated with an index of gender inequality. While institutional and ideological norms about gender roles in a society change slowly, we focus on factors which either lead to changes in the intra-household allocation of time thereby improving the prospects of greater female participation in schooling or in the labor market or reflect changes in macroeconomic conditions which have a differential impact on opportunities for women. The resulting choice of determining factors is given below.

##### ***Per Capita Income***

A rise in real per capita income can be a major factor in reducing the extent of gender inequality for a variety of reasons. Internationally, there is a strong correlation between the level of per capita income and the degree of equalisation of economic opportunities for men and women.

Growth in per capita income enables households among other things to invest in devices which imply time and labor savings for women in the performance of domestic functions. A good example

of this is that as rural incomes rise, more households can improve their water supplies, methods of sanitation and the technology for cooking. The rapid installation of hand pumps in Punjab in the 70s and 80s has probably implied significant time savings for women.

A rise in household incomes, which is accompanied by a reduction in the proportion of households below the poverty line, can also lead to significant increase in expenditures on hitherto discriminated female members, especially on health and education. Pasha [1994] demonstrates that the female enrollment ratio in Pakistan responds strongly to growth in per capita income both for affordability reasons and due to underlying changes in household preferences.

In the macroeconomic sense, women economic position is likely to improve more rapidly in fast growing economies. The implied growth in labor demand can contribute to breaking the shackles of gender discrimination in the labor market and lead to larger participation rates and higher wage rates for females. The growth rate of per capita income can, therefore, also act as a proxy for the unemployment rate, which is fraught with serious measurement problems in Pakistan.

### ***Access to Public Services***

Access to public services such as water-supply, sanitation, proximity to school etc, affect the pattern of time allocation of women and enable labour savings, thereby promoting participation in schooling and labour market. Also, access to cheap health care services help reduce maternal mortality, improve productivity and enhance female participation rates. A study of six villages in

Andhra Pradesh, India, found that disability conditions caused by malnutrition and prevalence of diseases reduced female labour force participation by 22 per cent [World Bank (1995)]. As such, access to public services can be a key determinant of gender equality. In the context of Pakistan, both expenditure on such public services as well as access variables like the ratio of girls to boys schools, households access to piped water supply and sanitation can capture this phenomenon.

### ***Social-Cultural Norms***

Literature extensively highlights the contribution of socio-cultural factors in inhibiting the participation of women in schooling, labour force, and other socio-cultural activities. The role of demographic factors like fertility rate, marriage age and religion/culture have in particular been highlighted. Following the 'Islamic cultural revolution' in Iran, for example, all coeducational schools were converted into single sex institutions and Islamic dress code was adopted in schools. Similar steps have been taken in Pakistan such as establishment of single sex schools and female teachers for female schools. This phenomenon can be proxied by a dummy variable which takes the value of unity for periods when the prevalence of such forces peak in the country.

## **SECTION 4: RESULTS OF ANALYSIS AND POLICY IMPLICATIONS**

Analysis of the determinants of gender inequality in Pakistan reveal the importance of all three types of variables discussed above. Table 2 reveals that the state of the economy plays an important role in affecting gender imbalance. A rise in the real per capita income leads to a reduction in inequality, possibly because of narrowing of the nutrition and education gap between

**TABLE 2**  
**REGRESSION RESULTS ON DETERMINANTS OF GENDER INEQUALITY**  
*DEPENDENT VARIABLE IS INDEX OF GENDER INEQUALITY*

Scheme	Constant	PCY	MAGE	FR	RGS	ACWS	DISLAM D82-86	R <sup>2</sup>	F-Statistics	D-W Statistics
Macro Variables	150.050 (64.523)	-0.003 (2.279)	)	)	)	)	)	0.688	17.200	0.640
Macro & Cultural/ Demographic Variables	219.156 (7.085)	-0.002 (-2.932)	-3.234 (-2.385)	-0.963 (-0.897)	)	)	1.422 (1.832)	0.795	22.350	0.660
Macro, Cultural/ Demographic and Service Variables	200.980 (14.159)	-0.005 (-2.660)	-1.738 (-2.006)	)	-0.309 (-5.171)	0.033 (0.033)	2.137 (3.732)	0.913	47.520	1.700
<b>The Final Result</b>	199.242 (15.245)	-0.005 (6.866)	-1.577 (-2.158)	)	-0.311 (-5.369)	)	2.009 (4.514)	0.918	62.350	1.630

PCY = per capita income, MAGE = age at marriage, FR = fertility rate, RGS = ratio of girls to boys schools, ACWS = access to water supply, DISLAM = Dummy for Islamisation (1 for 1982 - 1986, 0 otherwise).

males and females at the household level and an improvement in economic opportunities for women. Socio-cultural norms play an important part. Age at marriage and changes in religious norms, especially as they relate to the role of women outside the households, have an important bearing on the time path of gender inequality. The third category of variables, relating to provision of services was best proxied by the ratio of girl to boy schools. This highlights the importance of schooling in gender inequality and the role of access to educational facilities as opposed to demand factors which influence female enrollment rates.

The above conclusions highlight the role public policy can potentially play in reducing gender inequality in the country. It can directly influence the macro, cultural/demographic and service provision related factors significantly impacting upon gender inequality. Some of the possible measures are presented below.

Public policy that promotes economic growth, in general, and female income level, in particular, can potentially go a long way in promoting gender equality. This becomes especially important at times when a country has implemented an structural adjustment program agreed upon with international financial institutions whereby growth is often traded off for stabilisation. Pakistan has over the last decade or so implemented structural adjustment programs and research indicates a rise in the incidence of poverty in the country. It is time that the government must make a clear-cut commitment to the alleviation of poverty by allocating budgetary resources for programs that on the one hand enhance the income generating capability of the marginalised segments of the



population while on the other hand provide opportunities for income generation. An example of the former would be high priority for cheap and easily accessible education and training. Micro credit for small entrepreneurs of the type provided by Grameen Bank in Bangladesh can be an example of the latter.

In periods of macro-resource crunch, curtailment of public sector expenditure takes place resulting in a contraction in public social service provision also. In Pakistan we already witness a decline in public sector allocations to social services covered under the Social Action Program (SAP). SAP covers services like primary education, basic health, water supply and sanitation and population planning which essentially benefit women and children. Any cutback in the program is thereby likely to adversely affect women more. It is, therefore, important that SAP expenditures should be immune from public expenditure cutbacks.

To ensure that women specifically benefit from public programs aimed at poverty alleviation, an effort at targeting is also essential. Examples would be to focus at girl schools in SAP, women head of households in the public allocation of land under the land reforms program and women entrepreneurs in micro credit schemes. International experience reveals that credit is an important source of economic empowerment for women. However, women's business profiles often differ from men's. Compared to men, women are more likely to work in low-risk, small and home-based businesses. This situation creates a demand for small loans that can be obtained without formal, legally secured collateral and that offer relatively flexible repayment terms. Therefore, their credit

needs cannot be adequately met by the regular financial system. Policy that increases the availability of these types of loans can promote gender equity in the country.

Besides these, certain changes in the regulatory framework can encourage women's participation in the labour market. These include strong action against wage differential based on sex, provision of day care centres at workplace, specification of high enough minimum age of marriage in family laws etc.

## **SECTION 6: SUMMARY AND CONCLUSIONS**

The purpose of this paper is to quantify the extent of gender inequality in access to social and economic opportunity in Pakistan and to analyse its determinants. Analysis shows a high degree of gender inequality in Pakistan. This is largely a consequence of inequality in labour force participation rate followed by literacy rate and school participation rate. On the whole gender inequality has decreased in the 70's, increase in the first half of 80's and is on the decline in the 90s.

In the context of Pakistan, per capita income, age at marriage, ratio of girls to boys schools (proxy for pro-women services) and Islamisation (as it relates to women's role outside the household) appear to be important determinants of gender inequality.

Potential measures to reduce the gender imbalance include: allocation of budgetary resources for poverty alleviation programs. This may be in the form of immunity of the Social Action Program (especially girls schools and water supply and sanitation) from economy cuts and institution of micro-credit schemes for self-employment. Better targeting of women in these programs should be ensured for maximum impact. Besides, changes in the regulatory framework to encourage women's participation in labour market like elimination of wage differentials, provision of day care centres and campaigns to raise minimum age of marriage are other measures that can promote gender equality in the country.

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