Introduction

Since the turn of the century, South Asia has emerged as one of the most dynamic sub-regions in the world, parading with rapid economic growth and remarkable improved socio-economic conditions. These structural transformations have translated into expanding and enhanced employment opportunities, progressively rising wages and improved living standards. Yet, while healthy, vibrant democracies should deliver for all of their citizens, the dividends of this robust and multifaceted dynamism have not, at least so far, been evenly distributed between women and men. While economic growth and better certain social policies have contributed to the improvement of certain aspects of women’s lives, women’s participation in the labor market has remained extremely low and stagnant, and further remains one of the lowest in the world (Tebadi and Bilo, 2019). In fact, in the evolving democracies of South Asia, the majority of women are prevented from fully participating in the economy due to a range of formal and informal obstacles, including laws and regulations, and cultural and societal norms. Moreover, indicators for women’s employment, income, and wealth are exceptionally grim in South Asia, and the region is the slowest in the world to equalize laws affecting women’s employment and entrepreneurship (Anderson and Philip, 2017). This worrisome trend has further been exacerbated by the introduction/onset of the novel coronavirus pandemic, which has set off a series of health and economic crises entailing direct and indirect impacts on the women of South Asia.

Considering the dire situation, the aim of this paper is three fold: first, it aims to delineate the general situation of FLFP in the region, before the outbreak of the Coronavirus pandemic earlier this year. Secondly, it attempts to explain some of the central factors that help explain these worryingly low rates. Thirdly, the paper outlines some of the policies that have been previously implemented in the region and their effectiveness on increasing FLFP rate, therefore presenting the reader with potential solutions.

The paper begins by briefly introducing the concept of ‘women’s empowerment’ and elaborating on how such empowerment is generally measured - this is followed by a general overview of women’s economic participation in South Asia, consisting of cross-country comparisons. Thereafter, the paper presents some of the key factors that help explain the dismal female participation rates, considering various legal barriers and deeply rooted social norms that hinder women from joining the workforce. This is followed by a brief examination of some policies and mechanisms that have hitherto been implemented in order to further advance women’s economic participation in the region of South Asia. It would not be beneficial to solely examine and state the issue of women’s participation; rather, it is necessary to examine and evaluate previous policies that have been implemented to tackle the low rates of female economic participation. Thereinafter, drawing on data presented, the paper proceeds to make policy recommendations for States. The argument put forward in this paper is that South Asian governments should acknowledge, more than ever, the role that women’s economic
Empowerment plays in building more cohesive societies. With the outbreak of the Coronavirus pandemic, it is becoming increasingly vital for governments to take rapid action in order to ensure a stable future for upcoming generations of women.

Understanding Women’s Economic Empowerment and its benefits

In the general sense of the term, ‘women’s empowerment’ is contentious both in theory (its meanings and mechanisms are fiercely disputed) and in practice (is it resisted or subverted or neutralized by some who risk to lose from it) (Nazneen, 2018). Nevertheless, feminist economists and scholars of Gender and Development share the perception that women’s empowerment:

- Includes women’s acquisition of resources, increased agency and the capacity to make strategic life choices in a context of gender inequality;
- Constitutes a process that involves the development of inner consciousness as well as direct exercise of power to achieve change through collective action; these processes imply a combination of systemic or structural transformations of women’s position within a society;
- Is multidimensional and takes place at multiple levels – including, but not limited to – at the individual level; in interpersonal relations, and through collective action;

Fierce debate pretraining to the effectiveness of promoting women’s economic empowerment – insofar as being viewed as a political tool deployed by States au lieu of specifically aiming at boosting women’s agency as such – is certainly an interesting aspect to consider, but steers away from the primary objective of this paper. Thus, this section explains the manner in which women’s economic empowerment can be measured while further highlighting the limitations of this equation.

Generally, female labor force participation (FLFP) is a key measure of women’s empowerment at the national level. While this statistic may not capture domestic and other home-based work, the kind of work it does capture – employment outside the home – is perceived by many economists as the strongest relationship with empowerment (Gulati and Johnson, 2017). There are various reasons why increasing female labor force participation is a policy objective worth pursuing. In concordance with macroeconomic theory, a fully and efficiently employed female workforce would pave way for significant economic growth (Asia Development Bank, 2016). Firstly, FLFP has a mechanically direct effect on per capita GDP for the reason that resources once dedicated to work in the home – including cooking, cleaning and childrearing – are not captured in the GDP. In addition to the benefits at the aggregate level, increasing FLFP could bear positive outcomes at the individual level in the view of the fact that female labor force participation is a predictor of autonomy and subjective well-being (Asia Development Bank, 2016). An example that illustrates this supposition arises from a recent survey conducted by a research program of the Department for International Development-funded Pathways of Women’s Empowerment, which suggested that women’s engagement in paid work, particularly in formal waged work outside the home, had various positive impacts on the lives of Bangladeshi women. Indicators of improved individual welfare included the increase in sentiments of self-worth and agency, recognition from family members, decision-making power within the household, mobility in the public domain, and enhanced status in the community. When women make their own money – or even when they have the option to work for a fair wage – their health, power in the domestic sphere, and position in society improve, and parents begin to invest more in the health and education
of their daughters (Moore and McIntyre, 2017). For instance, a study in India found that the availability of jobs in call centers led girls to spend more years in school and delay marriage and child-bearing (Jensen, 2012). A study in Bangladesh found similar effects from the availability of work in the garment industry. Delaying family life is accompanied by its own benefits: women face less domestic violence when they marry later, and fewer health risks when they bear children later.

Nevertheless, certain limitations can be observed in solely using FLEP as an indicator for measuring women’s economic empowerment. In fact, labor force participation rates exclude “workers engaged in small establishments or in the informal economy who fall outside the scope of the survey or census”. According to a recent report published by the International Labor Organization, shares of informal employment in Southern Asia were at 87.8% in 2016, and women in employment were more likely engaged in informal work than their male counterparts (International Labor Organization, 2018). The disadvantage with the informal sector may entail a lack of social protection, rights at work and decent working conditions, accompanied by low levels of productivity and lack of access to finance by enterprises. But despite the aforementioned adverse consequences of informality, it is necessary to acknowledge that the informal labor market often remains the sole sector which provides work in developing countries. While this paper primarily takes FLFP as its primary focus, it recognizes the lack of employment opportunities provided within the formal economy, and further aligns itself with the belief that policies should not discourage women from working in the informal economy. Rather, South Asian governments should invest in policy reforms, including ‘formalization’, which in turn can significantly reduce the informal economy and improve the quality of work. Measures such as these can have a positive effect on women and thereby lead to women’s economic empowerment.

An Overview of Female Labor Force Participation in South Asia

In the course of the past decade, one assumption cannot be denied: the region of South Asia is booming. Although economic growth is expected to stall this year, notably due to the spread of COVID-19, earlier predictions pointed to an initial growth of 7.1 percent in 2020 (The World Bank, 2019). But contrary to the popular assumption, fast GDP growth has not translated into rising FLEP rates evenly across the region.

Source: World Bank Group, 2019 dataset
As demonstrated in Figure 2, the female labor force participation rate currently varies greatly across the sub-region, from 21% in India to 83% in Nepal. Indeed, while Nepal continues to triumph in the quest for higher FLFP rates, rising from 81% in 2000 to 83% in 2019, it nevertheless ranks below Sri Lanka, India, and Bangladesh (and just ahead of Pakistan) on United Nations Development Program’s Gender Development Index of 2017. While progress in terms of women’s engagement in the Maldives’ economy has been undeniably slow, longer-term trends indicate that women have increased their labor participation in the course of recent decades. Data suggests a rise in the rates from around 37% in 2000 to 42% in 2019. While the female labor force participation rates in Afghanistan and Pakistan have both risen by 7% and 6% respectively between 2000 and 2019, the rates remain well below average levels in other countries with similar incomes. Yet, despite the successes of some countries, other South Asian States are in the process of witnessing a worrying phenomenon. Between 2000 and 2019, female labor force participation rates declined by 9% in India, 2% in Bhutan, and 2% in Sri Lanka. But the most noticeable – and alarming – trend is found in India where, despite strong economic growth and rising wages and incomes, FLFP rates have substantially declined despite significant gains in terms of overall economic growth.

One explanation that seeks to explain the wide range between FLFP rates across the region is generally known as the U-shaped female labor force function (Goldin, 1995) according to which FLEP declines in the first stages of development and then recovers as economic development proceeds. More specifically, research studies that have empirically tested the U-shaped hypothesis focusing on the long term, argue that this shape is the result of the structural transformation of the economy of countries. In line of this view, the downward portion of the U corresponds to the initial stage during which there is a structural change from an agricultural to an industrial society. The upward portion occurs during the advance economic development stages when women return from the labor market and begin working in the service industry (Altuzarra, Galvez-Galvez and Gonzalez-Flores, 2019). Critics of this model often point to India where – despite the great gains women have made in educational attainment - observable FLFP trends continue to descend and therefore contradict the U-shape equation. The following section will attempt to identify the various factors that help explain female employment trends across the South Asian region, including deeply rooted social norms and legal restrictions.

**Explaining levels of Female Employment in South Asia**

Conceptually, labor market participation for women and men depends upon a combination of individual and household factors, matched with job characteristics and demands, and facilitated by economic and social infrastructure (United Nations ESCAP, 2016). Whilst common factors commonly help determine the labor participation for both genders, a vaster quantity of restrictive factors govern the manner in which women can participate in their economies. Patriarchal and conservative social structures, in addition to legal and regulatory obstacles, are particularly relevant for explaining and understanding women’s economic participation in South Asia.

In the light of opening up economic participation opportunities for women, current economic institutions in the region severely restrict women’s ability to access finance, register a business and participate in the marketplace. In fact, severe legal and regulatory barriers continue to impede South Asian women’s ability and incentives to work or start a business – as a result, only eight to nine percent
of formal medium enterprises (SMEs) in the region are owned by women (United Nations ESCAP, 2015). In Pakistan, for instance, a married woman registering a business must provide her father’s or husband’s name, nationality and address in the presence of a witness. In Nepal and Bangladesh, widows do not possess the same equal inheritance rights as their male counterparts. Male approval, discriminatory property and inheritance laws, low ownership of fixed assets, and limited access to financial services impede women’s entrepreneurship in countries across the region.

In addition to legal barriers, social, cultural and religious norms greatly influence perceptions vis-à-vis a woman’s role in society, thereby directly or indirectly limiting and inhibiting available education and work opportunities – for instance, working women can be perceived as lowering their household’s social status. The socially constructed perception that women inherently belong to the private sphere, whereas men belong to the public, remains deeply rooted in South Asian societies. In Pakistan, research suggests that women are primarily constrained by their own and their families’ ideas of what constitutes “suitable” employment. This supposition is heavily intertwined with a woman’s dependence on a male relative: a survey conducted in the country revealed that 35% of the female respondents reported that they were not working due to a lack of permission from a man, usually the husband or father, to work outside home and instead carry out domestic responsibilities (United Nations ESCAP, 2016). Similarly, the World Values Surveys during the period 2010-2014 reveal that only one third of the respondents in Pakistan agreed that having a job was the most effective way for a woman to be independent (United Nations ESCAP, 2016). The implications of such cultural and religious restrictions are of considerable importance; a paper on FLEP in Pakistan calculated if women were to enter the workforce, the country’s rate would double. Moreover, according to an observation made in a 1991 sample of households in Pakistan, the country relies heavily on child labor – a finding that suggests that increasing female labor force participation might decrease child labor (Tanaka and Muzones, 2016).

It is therefore interesting to conduct a cross-country comparison with other countries that exhibit higher FLFP rates. In Bhutan and Nepal, where the participation rates are higher, the emergence of labor-intensive, export-orientated sector, such as the ready-made garment sector in Bangladesh and tourism in Maldives, have boosted women’s labor market participation. This is not to say that restrictive social norms affecting women’s lives are non-existent in these countries – rather, the cultural norms identify many occupations in these sectors as women-centric. Therefore, considering that such sectors are still relatively small in countries like India and Pakistan, the difference in FLFP rates between these States may be partly explicable by the absence of such sectors.

One potential explanation for low female labor force participation in South Asia is that the jobs available for women pay low wages. Commonly referred to as ‘gender pay gaps’, which occur when women with similar skills are paid less than men for doing the same job, may discourage women from entering the workforce. According to a policy brief published by the United Nations ESCAP in 2016, women are paid 10-15% less than men after accounting for education and work experience. An analysis prepared by Harvard-based research group Evidence for Policy Design (EPoD) conducted for a government skills-training program in India revealed that the gender gap in wages was significantly wider in manufacturing than in other industries. Men made twice as much as women in factory jobs, but only 5% more in the services industry (LSE, 2017). Yet, it is important to state that this paper does not intend to undermine women who work for low wages – or without a salary.
Another factor which may help to elucidate the staggeringly low FLFP rates is the predominance of the informal market sector in the region of South Asia. The importance of considering it lies in that – contrary to the predictions of orthodox development economists – the informal economy has continued to persist, as patterns of structural transformation are neither automatic nor inevitable (Hearle, Baden and Kavita, 2019). Significant economic growth has not translated into the reduction of the informal sector, as it is evident in the case of India. According to a report published by UN Women in 2015, women continue to shoulder a disproportionate share of unpaid work in contrast with their male counterparts. About 64% of women are informally self-employed, and 31% work in informal wage employment, compared to 54% and 36% of men, respectively. While in absolute terms there may be more women than men in informal employment, women are often concentrated in the most vulnerable segments of informal employment, receiving low, irregular or no cash returns, and are further subject to a high level of job insecurity. According to a report published by the International Policy Centre for Inclusive Growth, an explanation for this phenomenon relates to the growth of export-orientated industries and a general trend of subcontracting that have moved formal jobs out of the factories into small, unregistered industrial workshops or workers’ homes.

A factor which has received considerably less attention from policy makers – albeit being highly relevant in the context of South Asia – is the relationship between female labor force participation and violent conflicts, including terrorist attacks. A recent report published by the Institute of Labor Economics concluded that one additional attack reduced FLEP rates by approximately 0.008 percentage points, on average (Robertson, Lopez-Acevedo and Morales, 2020). The authors tested the added-worker effect theory – which posits that violence might increase FLFP rates as women attempt to compensate for lost household income – and observed that a greater prevalence of attacks may encourage married women to exert more working hours, although an increase in casualties resulting from terrorist attacks led to an overall decrease in FLFP rates. Violence in itself does not serve to explain the extremely low FLFP rates in the region - yet, a clear pattern was detected indicating that terrorist attacks had robust negative effects on FLEP.

**Evaluating the success of different empowerment tools and techniques in South Asia**

Policies that effectively contribute to tackling the core barriers and offsetting incentives for women to work are of enormous relevance for South Asian States. As a matter of fact, governments, finance institutions and non-governmental organizations in the sub-region have indeed implemented certain policies and projects that have produced remarkable positive outcomes in terms of increasing women’s employment. By means of closer examination and evaluation, it is possible for South Asian countries to learn from each other. It is, nonetheless, important to mention that several of the implemented initiatives are recent in nature and have therefore not yet produced any substantial changes or outcomes. Consequently, this section has chosen a number of policies that have proved to be successful; including legal reforms, microfinancial initiatives, and encouraging women to participate in non-traditional work sectors.
Legal reform regulating Women’s Economic Opportunities

Only a couple of years ago, the future prospects for legal improvement for the women of the sub-region were deemed weak. Since 2010, when Women, Business and the Law first published a baseline of gender legal differences affecting women’s economic opportunities and started measuring reforms, the region with the fewest reforms over time was in fact South Asia, which translated into 18 reforms in comparison to 38 reforms in East Asia and the Pacific (World Bank Group, 2019). The World Bank study, which analyses laws and regulations affecting women’s economic opportunity in 190 economies across the eight indicators – mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets and pension - stated in its 2016 report that “While economies in South Asia have introduced quotas to increase women’s representation and enacted legislation protecting women from violence, they have shown little reform in the economic domains”. Importantly, the study finds that over time, reforms increasing women’s equality of opportunity contribute to more successful economies, higher female labor force participation and better development outcomes.

In the most recent Women, Business and the Law report, Nepal was ranked as the economy with the third-largest improvement in the 2020 index. The country introduced a new labor law that renders women’s entry into the labor market easier by prohibiting discrimination in employment, and further improved women’s employment opportunities and pay by allowing women to work at night and prohibiting discrimination in remuneration for work of equal value. Additionally, Nepal introduced 15 days of paid paternity leave, theoretically making it easier for women to share childcare responsibilities with their partners. New regulations with a mandatory old-age pension scheme for private sector workers were also introduced, further protecting women’s financial security in old age by establishing the same retirement age for women and men (World Bank Group, 2020). Three other South Asian economies – India, Pakistan, and Sri Lanka – have also been active at introducing reforms – for instance, the Indian state of Maharashtra eliminated restrictions on women’s ability to work in jobs deemed dangerous. On the other hand, Pakistan and Sri Lanka both increased the period of paid maternity leave to exceed 14 weeks (World Bank Group, 2020). Naturally, while legislative and legal reforms are a crucial element in order to render women’s employment pathways more accessible, it is important to recall that they nevertheless remain a primary step and do not always necessarily translate into practice. Further evaluations on the successes of these policies are therefore necessary.

Empowering Women through Microcredit

A recurring challenge faced by many South Asian women lies in the overwhelming reliance on informal sources of support for starting their own enterprises - therefore, enhancing equitable access to finance and credit is vital in order to further women’s economic participation and subsequent empowerment. An example of such a policy success is that of the ‘microfinance revolution’ in Bangladesh, whereby increasing microcredit accessibility has widely enabled rural women to access economic opportunities outside of agriculture. Contrary to the criteria for monetary loans set up by traditional banks and other financial institutions – often unattainable for those living in impoverished rural areas – microfinancial interventions offer a novel way of financing off-farm small and micro-enterprises (SMEs). Microcredit is comprised of provisions of small-scale loans to the underprivileged, while and microfinance – a more recent phenomenon – targets a range of the poor’s financial service requirements, including credit, savings, insurance, and remittance management (Hulme, & Moore, 2006). A recent study suggested
that in addition to borrowers of microcredit having greater control over their own savings, microcredit also has a positive and significant impact on enhancing participation in household decision making process and women’s legal awareness (Debnath, Rahman et al, 2019).

Other approaches

As examined in this section, various types of gender interventions have been tested in the region of South Asia – from support for female entrepreneurs to programs to facilitate access to finance – and continued experimentation and evaluation of gender-targeted interventions that aim to support female employment is vital in the context of South Asia. Yet, if the objective is to increase women’s employment at the general level, it may be an idea for States to tackle barriers that hinder employment (gender specific or not) at the general level. As delineated by Martin Rama, Former Chief Economist on the South Asia Region at World Bank, and Ana Revenga, Senior Fellow on Economy and Development at the World Bank, “instead of assuming that interventions should focus on women, try to focus on the interventions that make the biggest difference to women”. In other words, while these interventions may not be gendered in nature, they are not gender neutral in impact. The article considers the effect of focusing on three different elements: electricity access, trade, and physical connectivity. Evidence suggests that rural electrification may entail strong positive impacts on local economic growth, whereby the benefits may be more significant for women, who face greater time constraints and bear the burden of household chores. Access to electricity may also have a positive effect on other aspects of women’s lives, such as the ability to dedicate more time to studies, reducing the time spent collecting biofuel, and reducing the days lost to illness. Although lukewarm integration into global markets does not constitute a policy initiative directly targeting women, increased trade may open up several economic opportunities for women in various ways. The role of physical connectivity, including integrated and efficient transport networks, can be pivotal in not only stimulating economic development, but indirectly beneficial to female employment. Economic corridors can attract investment, facilitate the emergence of new jobs in manufacturing and services, and support exports. The biggest boost to women’s employment and economic empowerment in South Asia may not always come from policies that specifically target women. Rather, policies and investments that address key developments constraints on a larger scale may prove out to be especially beneficial for women in the long run.

Conclusion

Healthy and vibrant democracies must deliver for all of their citizens. Women’s full economic participation, control over their financial situation, and greater decision-making power are fundamental elements to constructing gender-equitable political and economic systems. In the case of South Asia, as underlined throughout this paper, the majority of women are blocked from full economic participation despite the considerable economic growth witnessed by the subregion in the course of the past decades. Legal and legislative reform, or the abundant lack thereof, can be largely blamed for the generally low rates of women’s participation in the workforce. Furthermore, the general lack of opportunities and social norms which lead to gender discrimination and women’s unequally high burden of unpaid care work, bear their own harmful effects on FLFP. Cognizant of the various factors that impede on millions of women in South Asia joining the workforce, successful policy
reforms to encourage and increase female labor force participation require boldness. Policies that overcome the core barriers and incentives for women to work would improve the availability of and access to good-quality education, offer skills development programs, and provide a conducive infrastructure and safe public transport to work, particularly in rural areas. A quota for women in wage employment could also be introduced, especially in sectors in which they do not normally participate. Similar quotas could be introduced for women in non-traditional vocational education and training, consisting of internships. Generally speaking, ensuring that women have equal access to the “three E’s” that unlock economic opportunity – education, employment and entrepreneurship – is fundamental in order to create stronger, more sustainable and inclusive growth (OECD, 2017).

But more importantly, South Asian governments need to tackle the issue at its root level. Influencing social norms and challenging traditional gender roles in a region where these elements have notoriously deep cultural roots unquestionably presents States with a challenge, but simultaneously broadens horizons for several opportunities. Governments would do well to recognize that the implications of encouraging and enabling women to participate in the workforce are manifold – both at the aggregate and at the individual level. As indicated in this paper, research suggests that employment enables women’s ability to make “smarter choices” in terms of domestic decisions than their male counterparts.

While this paper has not explicitly addressed the issue, it is imperative to acknowledge the possible ramifications of the Coronavirus outbreak. Sadly, the unprecedented Coronavirus pandemic comes with a dire economic outlook for the entire world. In the case of South Asia, estimates suggest that the region might well experience its worst economic performance in 40 years. While the exact implications on FLFP rates are not yet clear, the pandemic will undoubtedly bear significant ramifications on the future of the FLFP rates in South Asia. More precisely, it is likelier to dash any hopes for women to increase their participation in the market economy, given that women participated only sparingly in the labor market prior to the pandemic. These gendered implications can notably be attributed to the traditional roles women occupy in South Asian societies – in a context where uncertainty and disease prevail, women are more prone to automatically undertake the role of caregivers and nurturers. In the case of a pandemic, young girls and women will more likely take on the responsibility to take care of elderly family members, thereby indirectly affecting the possibilities for women to continue working, or in the case of young girls, their education. What is clear is that the upcoming months will be a testing period for the female workers in South Asia – with the previously stagnating levels of FLFP coupled with the adverse effects caused by the Coronavirus pandemic, they face a future of uncertainty - equally, also a challenge and opportunity for their governments.
Reference List


