DETERMINANTS OF LABOUR FORCE PARTICIPATION AMONG MARRIED WOMEN

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ABSTRACT

Almost half of the working-age women in Malaysian are not in the labour force. While there has been a substantial increase in educational attainment among women, their participation in the labour market is still low. In this regard, the low women participation in the workforce is commonly linked to work-family conflicts. This is because there is still an expectation that women, including those working, should be responsible for household and caregiving chores compared to men. Using the nationally representative Malaysian Population and Family Survey (MPFS) 2014, this study examined factors linked to low labour force participation among married women in Malaysia, specifically, unpaid caregiving responsibilities. This study used a probit regression model of participation decision among married women, which considers the usual socio-demographic factors, including age, education, ethnicity, marital status, and parents and parents-in-law presence. Among the critical determinants of women's participation decisions are age, education, and, most importantly, the number of children. The quantitative results were validated through the self-reported data on non-participation decisions. The findings indicate women's participation in the labour force by implementing strategies to ease their burden and ensure a good work-life balance. Furthermore, a better understanding of the gender gap in unpaid care could help increase women's participation in the labour force and accelerate the nation's economic growth.

Key words: Married women, labour force participation, probit, Malaysia.

INTRODUCTION

Women play an important part in a nation's economic growth. Hence, increasing women's participation in the labour force, eliminating gender disparities and boosting women's access to higher-productivity industries and jobs, especially in emerging economies, could be the key to strong global economic growth. (International Labour Organisation [ILO], 2017). According to the Ministry of Women, Family and Community Development [MWFCD] (2014), higher women's labour force participation can help alleviate economic inequality and enhance households' human capital and capabilities (Kabeer, 2012). However, despite the growth in women's labour participation force in recent years, the percentage of women in the labour force remains lower than men. Gunatilaka (2013) further argued that women have lower job opportunities and are most likely to face discrimination at work. The World Bank (2016) asserted that the Malaysian government had raised concerns over the slow increase of labour force participation among Malaysian compared to other Southeast Asian countries. According to EPU (2011), under the 10th Malaysia Plan, women's participation in the workforce was projected to increase to 55 per cent in 2015. However, about the data by the Department of Statistics Malaysia, in 2015, women's participation rate was only at 54.1 per cent. Following that, the 11th Malaysia Plan focused on empowering the community to enhance inclusiveness and strengthen women's roles in the country's development. The goal was to increase women's workforce involvement to 59% by 2020 (EPU, 2016). Yet, the labour force participation among women was only at 55.3 per cent in 2020 (DOSM, 2021).

Educational attainment has significantly increased over the years, opening more opportunities for women to enrol in primary and secondar education and tertiary education (Abdullah et al., 2008). While the enrolment rate for women at the tertiary level, the labour force participation rate among women is still lower than men (Abdullah et al., 2008; Wye and Ismail, 2012).

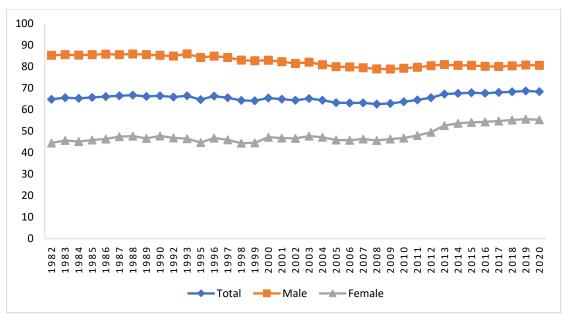


Figure 1: Labour force participation rate by gender, Malaysia (1982-2020)

Source: Author, based on data from the Department of Statistics Malaysia.

Figure 1 shows that Malaysia's labour force participation rate fluctuated between 64.8 per cent in 1985 and 68.4 per cent in 2020. There was a lower labour force participation rate among men in 2020 with 80.6 per cent compared to 85.3 per cent in 1982. Meanwhile, the women participation rate increased from 44.5 per cent to 55.3 within the same period. Although the growth appeared to be rather modest, it surpassed 50 per cent for the first time in 2013. However, as we can see from Figure 1, despite a rise in women's participation in the labour market, their participation rate remains lower than men. This indicates a gender gap in labour market participation. Statistics also showed that compared to other Southeast Asian countries, women's participation rate in Malaysia's labour market is still low. In 2019, the women labour force participation rates reported for Vietnam, Cambodia, Singapore and Thailand were at 63.8 per cent, 62.4 per cent, 61.1 per cent and 59.0 per cent, respectively (International Labour Organization, 2022).

Work-family conflicts are commonly attributed to the low number of women in the labour force. Women's labour force involvement is typically double-peaked, as some women try to re-enter the workforce at a later age when their children have enrolled in school, after first leaving the labour force due to marriage and childbearing. However, this is not the case for Malaysia. Malaysia has a single peak in female labour force participation, which shows that women do not normally re-enter the workforce after leaving (World Bank, 2012).

Apart from that, in 2020, 68.3 per cent of the 7.3 million population outside the labour force is women. From that, over 60 per cent of women reported that the main reasons they were out of the labour force included domestic responsibilities, family-specific roles and community commitments (DOSM, 2021). In response to this, this research examines factors determining married women's participation in the labour force in Malaysia.

LITERATURE REVIEW

Individual characteristics

Education is a critical factor in improving women's labour force participation as education has a favourable impact on female labour force participation (Contreras and Plaza, 2010; England et al., 2012). Studies on human capital observed that women's participation in the labour force increases as they have higher access to education. Consequently, women's participation in the labour force is linked to higher educational attainment and better career opportunities.

Studies like Gunatilaka (2013), Kanjilal-Bhaduri and Pastore (2018) and Klasen and Pieters (2015) observed a U-shaped relationship between education and women's participation in labour market. This relationship pattern between women's education and labour market involvement was especially evident in scenarios where poorly educated persons were forced to take up any available work. In contrast, those with a higher education level had a higher tendency to work for higher wages and with fewer social restrictions (Klasen and Pieters, 2012).

In the meantime, studies like Dildar (2015) argued social and cultural norms have restricted women's labour market participation. Furthermore, Heintz et al. (2018) and Nazier and Ramadan (2018) found that such norms have limited the choice of employment for women. A study by Ferrant, Pesando and Nowacka (2014) emphasised that ignoring the burden of unpaid care activities among working women and how social norms affect women's ability to enter and stay in the labour force contribute to the continuing gender gap in labour force participation.

Marriages and Care Responsibilities

The "double burden syndrome" is persistent among working women. In this regard, they are burdened by the added responsibilities of managing the household and taking care of their children or older relatives (World Bank, 2012). Samman et al. (2016) argued that many women have to take on the responsibilities of caring for their children or the elderly. This situation has become a barrier for women to further their studies and participate in the labour force. For working women, such burden impacts the type of job they choose, productivity, and salary. As Madurawala (2009) claimed, many women contemplate quitting their job as they found it difficult to balance childcare responsibilities and their careers

Blau et al. (2014) and Nor and Said (2016) found that marriage negatively affects women's labour force participation. Amador et al. (2013) further argued that married women's participation in the workforce is 19.3 lower than single/divorced/widowed women. Nor and Said's (2016) study in Malaysia used the Labour Force Survey (LFS) data. Married women are less likely to join the labour market than married men because the husband is the main breadwinner for the family.

Furthermore, studies like Dildar (2015) and Heath (2017) found that women with more children are less likely to participate in labour. In this light, mothers, especially those with more children, will not join the workforce as their focus shifts from building a career to family responsibilities after giving birth.

In studying the work-family conflict faced by married women, we should also consider the issue of childcare arrangements. Childcare can be formal or informal. In this case, the availability of informal care, for instance, grandparents taking care of the grandchild, could increase working mothers' participation in the workforce (Du and Dong, 2013; Ogawa and Ermish, 1996). Moreover, parents or parents in law could ease the burden of household tasks such as childcare, increasing working women's participation in the labour force. However, women's participation could be restricted due to their responsibilities of caring for elderly parents. The time commitment associated with caring for the elderly may be similar to taking care of children. However, there might be differences in terms of decision and nature of the provision of eldercare (Ettner, 1995). Studies found that women who act as informal caregivers of the elderly have less attachment to the labour force (Nishimura and Oikawa, 2017; Van Houtven et al., 2013).

DATA AND METHODOLOGY

The data used for this study were derived Fifth Malaysian Population and Family Survey (MPFS-5), 2014 conducted by the National Population and Family Development Board (NPFDB). The term labour force in the MPFS is based on the definition presented by the Department of Statistics Malaysia. It refers to working-age individuals aged between 15 and 64 years old during the reference week (based on their last birthday) who are either employed or unemployed. Meanwhile, employed individuals encompass everyone working for a minimum of one hour at any time during the reference week in exchange for pay, profit, or family benefits. The survey has been conducted every ten years since 1974, and this research utilises the data for ever-married women with 7,631 observations.

This study examines factors determining the participation of married women in the labour force participation. The probit equation below was estimated to identify the probability of labour force participation decisions among married women:

$$Pi \; (P \; = \; 1|X) \; = \; \alpha_0 \; + \; \alpha_1 \; SC_i \; + \; \alpha_2 \; CC_i \; + \; \alpha_3 \; X_i \; + \alpha_4 \; L_i \; + \; \mu_i$$

 P_i entails the probability of respondent i participating in the labour market, leading to 0/1 outcomes. Specifically, 1 represents an individual currently working, while 0 indicates otherwise. SC_i refers to the indirect proxy of social customs for women's participation in the labour market, represented by the location of childhood residence (Kelantan and Terengganu in comparison to other states). The care-related factors encompassing the number of children, the presence of parents and parents-in-law are represented as CC_i . Past research concluded that children were the main deterrents to married women's labour-force involvement (Contreras and Plaza, 2010; Contreras et al., 2010; Heath, 2017; Ismail and Sulaiman, 2014). Furthermore, this research also examines the impact of the increasing number of children on their labour market participation decisions.

The X_i variables include individual and household traits, specifically age, age squared, schooling squared, marital status (previously married), and ethnicity (Malay, Chinese, Indian, and others). At the same time, L_i refers to the respondents' current location (rural or urban). Years of schooling have been selected instead of education level to investigate the U-shaped relationship between education and labour market participation, consistent with existing global literature (Asadullah and Wahhaj, 2016, 2019). This is followed by μ_i , which refers to the error term.

FINDINGS AND DISCUSSIONS

This study aims to assess how factors like age, education, marital status, ethnicity, number of children, parents and parents-in-law, current location, and childhood residence location affect married women's participation in the labour force. Table 1 presents the probit estimation of the determinants of labour force participation among married women.

Table 1: Probit model estimate of the determinants of labour force participation among married women

Variables	Coefficient	Robust standard errors
Age	0.0754**	0.00507
Age^2	-0.000872**	6.14e-05
Schooling	-0.0629**	0.00536
Schooling ²	0.00482**	0.000288
Ethnicity:		
Chinese	-0.0214	0.0201
Indians	-0.0519*	0.0234
Other	-0.00314	0.0175
Number of Children:		
Children_1	-0.111**	0.0250
Children_2	-0.133**	0.0240
Children_3	-0.175**	0.0234
Children_4	-0.176**	0.0242
Children_5	-0.222**	0.0242
Children_6	-0.222**	0.0243
Previously married	0.223**	0.0194
Parents alive	0.0268+	0.0151
Parents-in-law alive	-0.0166	0.0141
Childhood residence KLTN & TN	-0.0388*	0.0178
Current location: Rural	0.00398	0.0129
Observations	7,631	
Pseudo R ²	0.0899	

Notes: (1) Dependent variable is labour force participation (1 if currently working; 0 otherwise). (2) **, * and + indicate statistically significant at 1%, 5% and 10% respectively. (3) Marginal effects are reported instead of the coefficient. (4) Reference categories for dummy variables: 'Malay' for ethnicity, 'parents no longer alive' for parents alive and 'parents-in-law no longer alive' for parents-in-law alive, 'other states' for childhood residence KLTN and TN (Kelantan and Terengganu), and 'urban' for current location.

This study found several notable findings on estimating married women's participation in the labour force. It was observed that the age of married women and labour force participation shows an inverted U-shaped pattern. The pattern indicates that women participation increases initially but decline afterwards. This finding captures the reality that women would quit the labour force after marriage and childrearing, resulting in a single peak in labour force participation among married women. This study also found that years of schooling are a significant factor for married women within the U-shaped pattern. The U-shaped relationship between labour force participation and schooling among women is consistent with studies in other developing countries, including Asadullah and Wahhaj (2016, 2019), Kanjilal-Bhaduri and Pastore (2018) and Klasen and Pieters (2015).

Ethnicity was shown to be a non-significant determinant in married women's labour force participation. The only conclusive finding is that Indian women are less likely to enter the workforce. This conclusion contrasts with the international research by Khoudja and Fleischmann (2018) and Khoudja and Platt (2018), which emphasises how ethnicity influences participation decisions due to differences in conventional views and values. In the meantime, the findings are consistent with the Labour Force Survey data for Malaysia, which showed that at 51.9 per cent, the participation of Indian women in the workforce is lower than the Malays at 52.7 per cent (DOSM, 2019).

Additionally, the findings indicate that a higher number of children affect married women's participation negatively with an increasing effect. The decrease in the probability of participation increases from 11.1 per cent to 22.2 per cent as the number of children increases, thus indicating that care responsibilities are a significant obstacle for married women. This finding is in line with findings presented in Ismail and Sulaiman (2014) on married women's participation decisions in Malaysia, which found that the number of children is the most significant barrier to labour force participation. Similarly, Amin et al. (2016) concluded that educated, married women with more children are 41.8 per cent less likely to participate in the labour force.

This finding implies that married women are typically exposed to work-family conflicts due to their primary obligations of caring for children and family. Such responsibilities have impeded their entrance into the job market due to the difficulty of juggling work time, care responsibilities, and household chores. Meanwhile, the presence of parents is only marginally significant in increasing labour force participation of married women by 2.7 per cent.

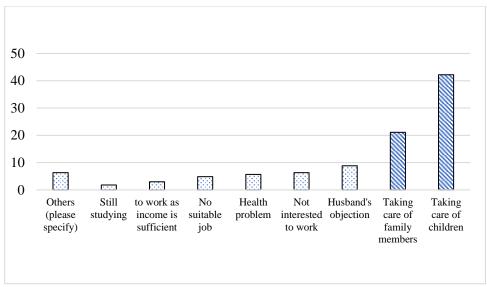


Figure 2: Self-reported reason for non-participation in the labour force Source: Author, based on Fifth Malaysian Population and Family Survey (2014)

Apart from that, as shown in Figure 2, nearly 65 per cent of the women stated care provision, specifically taking care of their children, is their main reason for not participating in the labour force. Over 42 per cent of the respondents reported the reason for non-participation in the labour force is taking care of children; meanwhile, another 21 per cent is due to providing care to family members. This finding also suggests that care responsibilities negatively impact women's labour force outcomes, strengthening our empirical analysis findings. A recent report by the Khazanah Research Institute (2019) for Malaysia, each additional hour of unpaid care work leads to less paid working time and lower-income. This situation worsens gender inequalities in the labour force as many women decide to exit the labour force.

Additionally, being previously married increased the women's participation in the labour force by 22.3 per cent, thus indicating the probability of a push factor among the divorced, widowed, and separated women to work to survive. Previous literature also concluded that marital separation is associated with labour force participation due to loss of dependency on the husband's income (Jeon, 2008). Moreover, married women who grew up in eastern states like Kelantan and Terengganu are 3.9 per cent less likely to participate in the labour force, indicating the significant, negative relationship between childhood residence and married women's labour force participation. In the meantime, The current location is not insignificant in determining the married women's labour force participation.

In summary, the number of children significantly affect women's participation in the labour force. In this regard, the probability of women not participating in the labour force increases as they bear more children. As shown in Figure 2, this finding is corroborated by the self-reported data where 40 per cent of the respondents claimed that childcare responsibility negatively affects their participation in the labour market.

CONCLUSION

Malaysia has enjoyed rapid economic growth, low poverty rates, and high educational attainment. However, the rate of women labour force participation is still lower than the government's target. This issue prompted researchers to investigate Malaysian women's labour market participation decisions. This research focuses on married women and examines critical factors influencing labour market participation decisions among married women. These factors include age, education, number of children, the status of marriage, parents or parents in law presence, and place of childhood residence. The study found that women with more children are less likely to participate in the labour force. In this light, the negative impact of having children increases with more children.

This study implies that married women are typically subjected to work-family conflicts due to their primary obligations of caring for their children and family. The difficulties they face in juggling work, care responsibilities, and household chores hamper their involvement in the labour force. Hence, it is imperative for the government to implement policies that could enhance work-life balance to increase women's participation in the labour force. The World Bank (2019) report found that the challenges in receiving care services have hindered women's economic potential. Thus, the public and private sectors should provide greater access to childcare services. It is believed that childcare provision will encourage more women to enter and remain in the workforce. However, Nor and Mahudin (2016) highlighted a lack of interest from the private sector in establishing childcare centres or nurseries close or at the workplace, even after tax incentives were made available in the sixth Malaysia plan. Alongside that, the childcare services should also be affordable and reliable, ensuring the safety of the children placed under their care. The focus should not only be on promoting the participation of women in the labour market but also on ensuring continuity and long-term attachment for the jobs. Uninterrupted labour market attachment will provide better opportunities for women to work in higher ranking positions, which is good for their career advancement and can also be translated into higher wages.

Even though there is evidence in the literature on the negative impact of having children on labour force participation, this research focuses on the extensive margin of the labour market. In this light, due to the unavailability of the time-use data in the MPFS dataset, the study did not examine the intensive margin of the labour market to examine the division of hours spent between work, unpaid work and leisure. This information could be critical for policymakers interested to increase women's labour-force participation. The literature also highlighted the importance of childcare services in improving labour force participation among women (Dujardin et al., 2018: Kawabata. 2014); however, the lack of data on childcare centres has made it difficult to study the impact of access to childcare services.

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