

Female Labor Force Participation and Crimes against Women: A Comparative Analysis

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Abstract

This paper is an attempt to study the cross-country trends pertaining to the relationship between female labor force participation rates (FLFPR) and crimes against women, highlighting the dynamic aspects of the same. A systematic review of the existing literature on the topic has been conducted. Further, the paper uses regression analysis using cross-sectional data from 101 countries to study the aforementioned relationship. The study has been conducted with respect to high-income as well as low- and middle-income economies. The results are revealing in terms of how seemingly 'uneconomic' processes such as criminal incidents are intractably linked to the broader economic structures.

Keywords: crimes against women, female labor force participation rate.

A significant amount of literature on labor supply in developing countries has focused on examining the role of individual characteristics, such as age, level of education, race and ethnic background, or family attributes, such as spousal variables, structure of family and number of children, to explain the decisions that women make pertaining to labor force participation. Recently, research has expanded to focus on social factors that could influence such decisions [1,2]. Amongst the social factors in question, safety and security concerns of women affect physical mobility of women to the greatest extent and thus are thought to be highly consequential in determining not just the decision of a woman to work, but also the nature and quality of her work. The freedom to work – by choice, in conditions of dignity, safety and fairness – is integral to human welfare. Guaranteeing that women have access to this right is an important end in itself. This paper presents an aggregate behavioral analysis of the response of women to crime across the underdeveloped, developing and the developed economies. Particularly, it presents an investigation into a potential determinant of female labor supply and adds to the scant literature on the distortive effects of fear and crime on economic behaviour.

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Review of Literature

The issue of crimes against women has not commanded significant attention in economic literature until recently. This is not to say that this issue has been altogether absent from the literature on economics of crime, but even if there has been an attempt to study the relationship between crimes that women face and labor market outcomes, it has restricted itself to the issue of domestic violence against women and its economic consequences, ignoring the fact that violence that takes place outside the household can also possibly have an impact on whether a woman decides to work and if she does, what kind of work she chooses to engage in [3]. However, an inability to explain the puzzling trends in Female Labor Force Participation Rate (FLFPR) that go against established economic theory has forced economists to look at crimes against women as a potential determinant of the same [4]. So far, the literature has adopted two approaches to studying the relationship between incidence of crimes against women and labor market outcomes.

According to the first approach, decisions about participation in the labor market and resources generated thereafter affect the incidence and extent of violence a woman is subjected to. For example, when a woman earns, she has more decision power, both in her household and her social circle, which gives her a greater degree of independence. This should imply a situation wherein women are subjected to lower levels of violence [5]. This has been refuted, on the other hand by the argument that empowered and independent women can make the male community members to feel that their position is threatened, and thus they might resort to violence and coercion against women to regain their position [6]. As a result, women might not prefer working. Also, higher levels of male unemployment can be directed in the form of violent behaviour at working women due to the perception that working women have reduced the job prospects of men [7]. Thus, a society with higher levels of female labor force participation rate as well as male unemployment rate may also have high incidence of violent crimes against women.

In the second approach of analysis, the focus is on studying the effects of violence faced by women- whether physical, sexual or psychological- on their performance, productivity, and work-related decisions. Within the framework of this approach, violence aimed at women might affect labor decisions through two possible mechanisms. First, the perpetrator can interfere on the normal activities of the victim using coercion, harassment or physical force. These activities might affect the victim's performance at work or lead to reduced attendance, which could itself translate into fewer hours at work or even job termination [8]. Some have argued however that victims of domestic

violence are more actively trying to get away from home, and going out to work is an alternative [9]. The combination of these two channels would imply a situation wherein the female labor force participation rate is high, but at the same time, job instability and job termination rates are also high. Considering this approach, the evidence in the literature implies that domestic violence has a negative relationship with earnings and a positive relationship with job exit. This also explains why women who are victims of domestic violence show lower rates of employment or work for fewer hours. Some authors, however, have found no evidence that employment is in any way linked to the incidence of crime that women face [10].

Methods

To study the relationship between the incidence of crime against women and female labor supply, the author has used data from the World Bank and OECD datasets for 101 countries, out of which 34 belonged to the low-income category, 43 were from the middle-income category and 24 were high-income economies. The incidence of crimes against women was measured by proportion of women subjected to physical and/or sexual violence in the last 12 months (% of women aged 15-49) for the most recent year available, while labor force participation rate, female (% of female population ages 15+) was used to signify female labor supply corresponding to the year for which the data on the former parameter was available. Linear Regression was conducted for each of the three categories of countries classified according to their income levels. The author specifically focus on sexual violence since there is no apriori reason to believe that other forms of crime, like murder, would affect men and women's choices differently [11].

Results

The low-income countries do not show any relationship between female labor force participation rate and the incidence of violence against women. This result supports the argument that women in poor countries are forced to work due to low income of their households, a situation termed as 'working poverty', and utility achieved from working is greater than the cost of travelling to work and of being victimized by crime. The result, however, is different for the middle-income countries, as a strong negative relationship can be observed between the two variables in question. This can easily be explained by the argument that women belonging to this category of economies can afford to not work due to higher household incomes when compared to their low-income counterparts, as well as due to social and cultural norms that restrict women to household work. However, the case of high-income countries is not easily explainable as an increasing incidence of crimes against women is not associated with a decline in the labor force participation rate of females, despite the fact that women

of such countries, similar to their middle-income counterparts, can afford to not work. A possible explanation could be that since educational attainment of women is higher in high-income countries, the utility that they get from not working is lesser than that from facing the possibility of being victimized, as being out of the labor force translates into no return on the time and money invested in education. Moreover, better accessibility to legal institutions due to greater access to resources, and the fact that such societies attach less value to the chastity of a woman, could also possibly make women less fearful of being targeted by criminals.

Conclusion

A widely studied and discussed hypothesis in economic literature proposes that the trends in female labor force participation rate (FLFPR) can be explain with the help of a U-shaped curve, with FLFPR as the dependent variable and economic development, defined as the log of GDP per capita, being the independent variable. According to the hypothesis, when the income levels are low, women are forced to work to ensure survival, primarily in subsistence agriculture or household production. As the income levels rise due to economic development, the process of structural transformation leads to a shift from agriculture to industry and services, which allows women to withdraw from the workforce, due to social stigma and responsibility to care for children and the elderly. At higher stages of socio-economic development, rates of educational attainment rise, fertility declines and societies generally attain a more liberal and individualistic character, due to which women again enter the workforce. At the household level, these structural shifts can be explained in the context of the neoclassical labor supply model in the following way: as the wage of spouse rises, there is a negative income effect on the supply of female labor. On the other hand, once wages for women start to rise, the substitution effect induces them to increase their labor force participation rates [12].

However, recent research involving large datasets of a number of countries reveals a weak evidence of the U-shaped relationship between the log of GDP per capita (adjusted to serve as a proxy for economic development) and the female labor force participation rate. For example, India and Turkey have far lower female labor force participation rates than most countries at the same income level. On the other hand, countries such as Brazil, China, and the Russian Federation, have higher female labor force participation rates when compared to the average for their level of economic development. Therefore, some attempts at explaining other potential factors have been made, including the effect of crime. This paper contributes to the amount of literature devoted to such attempts by hinting at the negative effects of crime on women and their empowerment in developing countries, as low female labor force participation is associated with reduced incentives to invest in female human capital, reduced female bargaining power within

households, and worse child health outcomes [13]. This underscores the importance of implementing changes and adopting interventions that enable women to become productive members of the economy by addressing their safety concerns.

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11. To see the regression results, refer Appendix I.
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