

A Verification of Work Participation, Fertility and Wage Nexus among Married Women in Urban Pondicherry

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The study examines the nexus among married women's work participation, fertility and wage in urban Pondicherry. The primary data for the purpose were collected during March/April 1997 from a random sample of 200 women with living husbands, of whom 150 were working and 50 non-working. Regressions were estimated using Probit, Tobit and Logit methods to identify the factors influencing married women's work participation decisions. Step-wise procedure was adopted in order to eliminate the problems of multicollinearity, if any, in the estimation of the regression models. Besides, 2SLS equations were also estimated to examine the inter-relationship among work participation, fertility and wages.

The analysis of married women's work participation using Probit, Tobit and Logit regressions yielded almost similar results. Income variables, other than own wages, had a significant negative substitution effect on their work participation, implying that better economic conditions of the family discouraged married women from taking up paid employment. Instead they would prefer concentrating on their domestic responsibilities. The effect of own age during the survey was positive and significant, while that of a further increase in age was negative and significant. The latter implied that a further increase in age deterred the women from joining labour market. Higher fertility also significantly affected their labour participation decision. This holds an implication for a nexus among work participation, fertility and wage. However, the 2SLS estimates failed to illuminate any distinct inter-relationship among the selected variables. This implies that conservatism over-rides these factors in urban Pondicherry.

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I Introduction

The growing participation of women in labour market and the decline in fertility over the last century in developed countries have been interpreted as a consequence of economic development (Mincer 1985 and Goldin 1990). The trend is attributed to changing values, lower dependency of a family on women's domestic work, rising cost of childbearing, and a rise in the opportunity cost of women's time in unpaid work. However, the same cannot be said of the developing countries which are going through demographic transitions and experiencing fertility decline in recent times. In fact, the

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