

Students' Involvement in Economic Activity During Their Studies: A Case Study of Pakistan

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Abstract

This study attempts to highlight some socio-economic and demographic factors enforcing students of the universities to take part in economic activities along with their studies. For that purpose, cross sectional primary data is collected using simple random sampling technique from two universities of the Punjab province (University of the Punjab, Lahore and Bahauddin Zakariya University, Multan) in the year 2009. Data set includes information about 346 students of both universities. The results show that higher education levels give more earning opportunities to the students to start their jobs even during their studies. But students of Ph.D. are less interested to engage in jobs due to the agreement done with Higher Education Commission, Pakistan (HEC) of not doing jobs while they are availing any scholarship for Ph.D. Expectations of future settlement in Multan or Lahore, family size, and marital status are directly associated with their job decision. Students are less interested in jobs if their fathers or guardians have higher income level and they give them sufficient amount as Pocket money. The study suggests that Govt. should provide scholarships and internships to the students so that they can have some practical knowledge about their subjects and also get some pocket money as well.

Keywords: Pocket money, Labour force participation, Educational status, Socio-economic and demographic factors

I. Introduction

Human resource is the key factor for development of any society. In the changing world economic scenario, human resources both male and female are equally important. Nowadays, females are working side by side with their counterparts. Discrimination of different sex has almost been ignored to remove economic problems like poverty, unemployment, and distribution of income etc. Labor force, if actively participates in economic activities, can overcome all the problems. Investment in Human capital (education, experience, skills and job trainings) raises the workers' productivity that ultimately raises their labor income [Mincer (1974)]. Labor force can have more control on their wages in the labor market with more level of education, skills, experience, and trainings. This study is concerned with students participation in labor market during their studies. There may be many economic and demographic factors like family size, guardians' or fathers' income level, pocket money, expectations of future settlement, educational status etc encourage them to take part in earning activities. The important question of this study need distinct answer that why students need to do jobs during their studies while they should give more attention to their studies for bright future. The objective of this study is to explore some socio economic and demographic factors forcing students to have job. Along with this brief introduction, the rest of the paper is arranged as follows: Section II summarizes some literature relating to labor force participation. Data and Methodology is described in section III. Section IV interprets empirical findings in detail. Finally, Conclusion and Policy recommendations are given in section V.

II. Literature Review

A vast literature is available at national as well as at international level relating to male and female labor force participation in economic activities.

But few significant studies are found relating to students' participation in economic activities. Schultz (1961) and Becker (1964) conducted many studies on secondary school and college graduates in the United States. Schultz indicated that large increase in labor income was just due to extra education of laborers. Becker considered education as an investment in human capital because it gave significant returns over their life time. Naqvi and Shahnaz (2002) attempted to identify households' related factors that lead to women participation in the economic activities. Using primary data, they pointed out some significant factors that have positive impact on the possibility of their involvement in economic activity.¹ Their results indicated that age square, married women, household head's age square, employer and employee status of household head; women as a household head, number of children under the age of 5 years, presence of male member in house, and households' monthly expenditures negatively affected women participation in economic activity. Lisaniler and Bhatti (2005) investigated the determinants of female labor force participation in north Cyprus for the year 2001. Sample of 395 females were gathered from field survey of Cyprus. They found that female labor force participation was positively related to women's age between 25-55. Married marital status and age between 55-65 were found to affect female labor force participation decision negatively.

Ejaz (2007) pointed out that certain causal factors and issues were major hurdles for women's participation in labor force in Pakistan. The results of his study show that Females' age, years of schooling, number of working people in family, nuclear family setup, own conveyance, female head, infant were major factors responsible for female participation in labour force. A negative association was observed between married marital status, family size, weighted index of house appliances, infant, children per female square and labor force participation rates. Ahmad and Hafeez (2007) analyzed the patterns of labor force participation among married women. Field survey of District Mandi Bahauddin was conducted in 2002. A survey of 210 married women between the age of 15-60 years was conducted through stratified random sampling. Secondary school, bachelor and master level education of women; distance from district head quarter, joint family system and women's age were found to be a significant factor in determining female labor force participation decision. The results revealed that monthly wage income of husbands and number of other workers in the family influenced the labour force participation decision of women.

Balleer *et al.* (2009) emphasized the labour force participation using time series data for five countries namely, Germany, France, Italy, Spain and Netherland for the period 1983 to 2007. They concluded that women born in decades of 1920's and 1930's were less likely to participate in labor market as compared to those who born in the decades of 1960s and 1970s. Faridi *et al.* (2009) examined the impact of different level of educations on female labor force participation. Cross sectional data of 164 females was collected through stratified random sampling. The study used Logit regression model in their analysis. They constructed distribution of respondents by education level, fathers' education level, mothers' education level, spouses' education level, region of residence, family setup, marital status, and household size at preliminary stage. They concluded that matriculation; intermediate, graduation, master level education of respondents, spouse's education, location and Household size were significantly raising female labor force participation. Presence of assets was inversely influencing female labor force participation in their study area.

Maurer-Fazio *et al.* (2009) explored the determinants of the labor force participation decision of both rural migrant and non-migrant married women (age 25-50) in urban China and investigated how these determinants had changed over the period made visible by the three censuses of 1982, 1990 and 2000. The study revealed that women were more likely to participate when they were co-resident with parents and with persons aged 75 or above; they had senior middle and post secondary education level; they were belonging to aged 30-34 and 35-39; their spouses were primary and post secondary educated. The results showed that women participation rate in economic activity had increased due to provincial urban real per capita income (100 Yuan) and provincial annual real GDP growth rate over previous 5 years. On the other hand, when women were co-resident with a disabled person aged less than 65 and co-resident with child age 0-5; no children in household, women aged greater than 39, women's education level, belonging to Muslim ethnic group.

Faridi *et al.* (2009) identified the different socio-economic and demographic factors which influenced the male workers' participation in business and economic activities. A survey of 330 workers was conducted in 2007-08 in rural and urban areas of Bahawalpure district. Logit and Multinomial Logit model were used in their analysis. Results revealed that male workers' participation had increased due to respondents' matriculation, intermediate, graduation, and master level education; respondents' age 15-24, 25-34, 45-54, and 55-64; educated mother and father; marital status, family size and urban location.

¹These factors include age of women, widow women, divorced women, secondary and higher education of women, illiterate head of household, unpaid household heads, total number of households and rural region of residence.

Presence of assets was found inversely correlated with male workers' participation. Nanfosso and Zano-Akono (2010) determined the impact of fertility and health on labor force participation in a simultaneous equations framework. A survey of 2064 women aged 18-64 years was conducted in Yaoundé and Douala. 2SLS procedure was employed to find significant relationship between the variables. The study found a positive relationship between age, single marital status, secondary education, tertiary education, fertility, health of women and labor force participation. Square of age, Muslim religion, North central and west province of women were inversely related to women's labor force participation. Malik *et al.* (2010) analyzed empirically those factors which directly or indirectly affected the casual employment in Pakistan. The study used randomly collected data of 494 workers in age group 15-64 from District Bahawalpur. The results revealed that marital status, number of dependents, location, age 15-24, 55-64, and middle level education of workers had increased possibilities of being casual employed. Casual employment reduced due to Spouse's, Mother's and Father's education; assets of workers, age 45-54, experience of workers, education level of the worker.

Faridi *et al.* (2010) traced out the impact of education and health on employment in Pakistan. Simple random sampling method was employed to collect data of 494 workers from district Bahawalpur. The study found experience of workers, matriculation, intermediate, graduation and master level education of workers; educated mother and father; number of dependents and household size had motivated workers to take part in economic activities. The results of the study found negative relationship between square of experience, health status of worker and presence of assets with employment in Pakistan.

III. Data and Methodology

This section discusses issues relating to data sources, sampling techniques, definition of the variables, and estimation technique.

Data Sources

The present study uses data collected through field survey conducted by the authors in 2009 from two universities of the Punjab province. Respondents are male students of University of the Punjab, Lahore, Pakistan and Bahauddin Zakariya University, Multan, Pakistan. Sample of 346 respondents are gathered through Multistage Simple random sampling technique. Sample is drawn at Multi – stages, out of 24 hostels of both universities, 12 hostels are selected randomly at first stage. At second stage, 20 rooms are randomly selected out of 100 rooms from each hostel. This study is made at two stages. At preliminary stage, characteristics of the data and correlation matrix (correlation of coefficient) are discussed in detail. Second stage is having Multivariate Econometric analysis of employment under the framework of traditional theory of Utility Maximization (See Becker 1965) by using the Maximum likelihood Logit Model.

The Logistic Regression

Economists face many problems regarding the estimation technique. In our study, the dependent variable is not quantitative but qualitative. When dependent variable is quantitative, OLS (Ordinary Least Square) method is useful but in case of qualitative dependent variable, OLS does not provide appropriate results. Logistic regression gives accurate results. Logistic regression provides odd ratios and we can calculate marginal effect using odd ratios. We start with general equation;

$$Y_i = f(X_1, X_2, \dots, X_n)$$

Where, Y_i shows students' participation in economic activities. If $Y = 0$, student is not taking part in economic activity. If $Y = 1$, student is participating in labor market. X_1, X_2, \dots, X_n represent various factors determining students' participation in economic activities. Logistic regression assumes following cumulative probability density function:

$$P = \frac{1}{1 + e^{-(\alpha + \beta_i X_i)}}$$

Where, 'P' is probability that students are working or employed. 'e' is exponential value, α and β are the row vectors of parameters and X_i are the column vectors of variables. Logistic regression gives us coefficients as odd ratios. To explain the change in dependent variable due to explanatory variables, we calculate marginal effects using the following formula.

$$\frac{\partial P}{\partial X_i} = \hat{P}_j (1 - \hat{P}_j) \beta_i$$

Definition of the Variables

We have selected some variables explained below with priori expectations.

Students Participation in Economic Activity (SPEA)

This is taken as dependent variable. If students are taking part in economic activities they can earn more money and support themselves during studies and after completion of degree as well. Dummy variable is used to trace out this economic activity.

Area of Living (AREA)

Area of living is used as dummy variable to show that either students belong to rural area or urban. Mostly rural students are provided sufficient pocket money to support themselves during studies. Students coming from urban areas have much potential to do job. They have relatively more information regarding the area and how to get job and how to go anywhere. It is expected that rural students participate less in economic activities than urban students [Faridi et. al (2009)].

Education of the Student (EDUC)

Education is the most important variable that enhances the economic opportunities. Each additional enrolled year in university provides more opportunities to students for their job career [Naqvi and Shahnaz (2002), Ejaz (2007), Faridi et al. (2009), Malik et al. (2010), Faridi et al. (2010)]. Students who come in university in 1st Semester or 2nd and in 3rd Semester or 4th of Bachelor degree program (BS, BBA, B.Sc. etc.) are known as enrolled in 13th (B1) and 14th (B2) year of Education respectively. Similarly students of M.A. Part I or Semester 1st or 2nd are known as students enrolled in 15th (M1) year of education. Students enrolled in M.A. Part II or 3rd or 4th semester are known as 16th (M2) year of education. To show the effects of M.Phil and Ph.D. students, we have taken two variables namely MPhil and PhD. These are taken as dummy variables. B1 is taken as base category to compare with other variables.

Expectation of Future Settlement in Lahore/Multan (FS)

Mostly students studying in Multan or Lahore (in our study area) at university level may wish to settle there after completion of their studies. They wish to have good jobs during studies so that they can start their practical life and can have some pocket money during their studies. They will decide to work before completion of their degrees just to settle in future.

Size of the Family (FSIZE)

The total number of persons living in the house of students is taken as size of the family. It is taken as quantitative variable. If the size of family is large, probably it would be difficult for Fathers or Guardians to support them for their studies because they have to support other members of the family as well. There is direct relationship between Size of the family and students' participation in economic activities [Naqvi and Shahnaz (2002), Faridi et. al (2009), Faridi et. al (2010)].

Fathers' or Guardian's Income (FY)

It is per month Fathers' or Guardians' income of the student that is taken as quantitative variable. If they are earning handsome amount of money, they can support their children very well. Father's or Guardian's income is expected to be inversely associated with students' participation in economic activities.

Marital Status (MS)

Marital status is taken as dummy variable. If student is married, his prime responsibility is to support his family. He has to do job even during his studies as well. Marital status increases probability of student's participation in economic activities [Faridi et. al (2009), Malik et. al (2010), Faridi et. al (2010)].

Pocket Money (PM)

Usually parents give per month pocket money to their children so that they can pay full attention to their studies and can have bright future. But in some cases, parents are not much capable of providing pocket money. Their low income level do not allow them to give sufficient pocket money. In this situation, a student has to do job along with his studies. This gives motivation to students to get good job in their student life.

Operational Model

Based on the selection of the variables, the operational model for estimation can be formulated as below:

$$SPEA = f[AREA, EDUC, FS, FSIZE, FY, MS, PM]$$

$$SPEA = f[AREA, B1, B2, M1, M2, MPHIL, PHD, FS, FSIZE, FY, MS, PM]$$

TABLE 1: List of the variables used in the study

Variables	Description of the variables	
Dependent Variable		
SPEA	Students' participation in economic activity	1 = If student is taking part in economic activity 0 = Otherwise
Explanatory Variables		
AREA	Area of Living	1 = student belongs to rural area 0 = Otherwise
EDUC	Education in completed years	A continuous variable
B1	Student enrolled in 13 th year of education	1 = Yes 0 = No
B2	Student enrolled in 14 th year of education	1 = Yes 0 = No
M1	Student enrolled in 15 th year of education	1 = Yes 0 = No
M2	Student enrolled in 16 th year of education	1 = Yes 0 = No
MPHIL	If student is studying in M.Phil degrees	1 = Yes 0 = No
PHD	If student is studying in Ph.D degrees.	1 = Yes 0 = No
FS	Expectations of future settlement in Multan/ Lahore	1 = Yes 0 = No
FSIZE	Size of the family	A continuous variable
FY	Income of the father	A continuous variable
MS	Marital status of student	1 = Married 0 = Otherwise
PM	Pocket money of student	A continuous variable

IV. Results and Discussions

Interpretation of results is discussed in this section. This section is divided into two sub-sections.

- A. Preliminary Analysis
- B. Multivariate Analysis

Preliminary Analysis

Preliminary analysis provides the characteristics of the data and deals with multicollinearity problem using correlation matrix. Descriptive statistics explain about characteristics of the data. Table 2 reveals Mean, Median, Minimum, Maximum and Standard deviation of the data series. In our survey, 4 percent students are enrolled in 13th year of education. In the same way, 9 percent, 25 percent, 49 percent, 10 percent and 2 percent students study in 14th, 15th, 16th year of education, M.Phil and Ph.D. degrees programs respectively. 54 percent students belong to rural areas on the average. Mean of completed years of education is 15.75 years. 56 percent students want to settle in Lahore or Multan. On the average their family size is 7 and their Fathers' or Guardians' income level is Rs. 21,614 per month. Students get Rs. 5365 pocket money per month on average from their parents. Only 3 percent students are married out of total sample.

TABLE 2: Descriptive statistics of some selected variables

Variables	Mean	Median	Maximum	Minimum	Standard	Deviation
B1	0.04	0.00	1.00	0.00		0.20
B2	0.09	0.00	1.00	0.00		0.29
M1	0.25	0.00	1.00	0.00		0.43
M2	0.49	0.00	1.00	0.00		0.50
MPHIL	0.10	0.00	1.00	0.00		0.30
PHD	0.02	0.00	1.00	0.00		0.15
AREA	0.54	1.00	1.00	0.00		0.50
EDUC	15.75	16.00	21.00	13.00		1.39
FS	0.56	1.00	1.00	0.00		0.50
FSIZE	7.18	7.00	26.00	2.00		2.57
FY	21614.16	15000.00	200000.00	0.00		21631.08
PM	5365.61	5000.00	40000.00	0.00		3490.36
MS	0.03	0.00	1.00	0.00		0.16

Source: Estimated using E-Views 5 statistical software.

Mean and Median for each education level, area of living, expectations of future settlement, marital status and fathers' or guardians' income are not the same. There is much variability among the students. It shows students are enrolled at different education levels, they belong to different areas of living, and their future settlement decision is different. Their marital status and Fathers or Guardians' income level may also differ.

Students have different characteristics. While mean and Median of completed years of education and Family size are almost the same. There is less variability on the average. In the data set, Maximum family size, Fathers’ or Guardians’ income level, Pocket money are 26 persons, Rs. 200000 per month and Rs. 40000 per month and minimum of those are 2 persons in home, no Guardians or Fathers’ income, and no Pocket money. Problem of Multicollinearity is traced out using correlation matrix (in table 3). It is observed that correlation coefficient among explanatory variables are less than 0.80 that states no problem of Multicollinearity in our selected explanatory variables. Maximum value for correlation coefficient is seen 0.57 in absolute terms.

TABLE 3: Correlation matrix of some selected variables

Variables	B1	B2	M1	M2	MPHIL	PHD	AREA	EDUC	FS	FSIZE	FY	PM	MS
B1	1.00												
B2	-0.07	1.00											
M1	-0.12	-0.18	1.00										
M2	-0.21	-0.31	-0.57	1.00									
MPHIL	-0.07	-0.11	-0.19	-0.33	1.00								
PHD	-0.03	-0.05	-0.09	-0.15	-0.05	1.00							
AREA	0.00	-0.11	-0.03	0.06	0.04	0.03	1.00						
EDUC	-0.42	-0.40	-0.31	0.17	0.54	0.58	0.09	1.00					
FS	-0.10	0.06	-0.10	0.04	0.07	0.02	-0.03	0.09	1.00				
FSIZE	0.00	-0.01	0.04	-0.03	0.00	0.00	0.06	0.00	-0.06	1.00			
FY	0.02	0.17	-0.06	-0.03	0.01	-0.08	-0.11	-0.10	-0.04	0.04	1.00		
PM	-0.01	0.03	0.02	0.09	-0.10	-0.20	-0.03	-0.17	-0.13	0.02	0.35	1.00	
MS	-0.03	-0.05	-0.05	-0.02	0.07	0.22	0.11	0.20	0.07	-0.01	0.05	-0.02	1.00

Source: Estimated using E-Views 5 statistical software.

Multivariate Analysis

Tables 4 and 5 focus on the results obtained from most recent data collected in 2009. Sample includes respondents aged between 18 years to 38 years. Marginal derivatives are reported in 3rd column and Prob. value in column 6 indicating level of significance. Coefficients / Odd ratios, standard errors and Z-statistic are reported in 2nd, 4th and 5th column respectively. This study found inverse relationship between students’ rural area of living and their participation in economic activities during studies. It has very strong negative effect on participation. Mostly students belonging to rural areas in universities are from financially sound families. Their parents can afford their expenditure on education. As there are overall less expenditure in rural areas on goods and services and their parents have more saving to support their children at university level. Students belonging to rural areas are 16.91 or 16.11 percentage points less likely to be engaged in earning activities during studies. In urban areas normally households have fewer savings on the average due to more expenditure on goods and services. Students belonging to urban areas are motivated to do jobs along with their studies. It gives them also new exposure for their successful future life. Our results are consistent with the previous study of Faridi *et al.* (2009).

B1 (Students enrolled in 13th year of education) is taken as base category to avoid dummy variable trap. Results are very interesting in case of education. Education plays a significant positive role for students’ participation in economic activities. Each extra enrolled year of education in university motivates students to be engaged in earning opportunities. Completed years of education (EDUC) is positively and significantly influencing students’ participation in jobs. The probability of participation increases by about 5.51 percent due to enrolled in higher degree in university on the average. Students’ enrolled in 14th year of education enhances the job prospects of all students. The probability of participation in jobs increases by 17.25 percentage points in case of students’ enrolled in 14th year of education. If students enrolled in 15th year of education in university or in Part I of masters, the probability of being involved in earning activities increases by 32.38 percentage points on the average. Results are positive and statistically significant at 10 percent level of significance.

Students enrolled in final year of Masters are motivated to be engaged in jobs with the probability of 36.46 percentage points. The probability of students’ participation rises by 52.95 percentage points who are studying in M.Phil degree program. It is highly significant at 1 percent level. Coefficient of PhD (Students enrolled in Ph.D. degree program) is positive as well but it is statistically insignificant. This indicates that Ph.D. students are less likely to be involved in job during their study time. However, students participate more in jobs by enrolling in every higher degree. It is due to the fact that more education raises opportunities and more education forces students not to be dependent on their parents. In case of Ph.D. degree enrollment, students are not much involved in jobs. Reason may be that mostly Ph.D. students obtain scholarships from Higher Education Commission (HEC), Pakistan. They have done agreement with HEC of not doing job during Ph.D. Results of education are in line with Naqvi and Shahnaz (2002), Ejaz (2007), Faridi *et al.* (2009), Malik *et al.* (2010), Faridi *et al.* (2010).

TABLE 4

Variable	Coefficient	Marginal effects	Std. Error	Z-statistic	Prob.
C	-2.79696	—	1.573663	-1.78	0.07
AREA	-0.64528	-0.1610636	0.243992	-2.64	0.00
EDUC	0.220802	0.05511217	0.096996	2.28	0.02
FS	0.728384	0.18180464	0.236703	3.08	0.00
FSIZE	0.056296	0.01405148	0.046172	1.22	0.22
FY	-0.000018	-0.0000046	0.000007	-2.55	0.01
MS	2.23526	0.55792089	1.13117	1.98	0.04
PM	-0.00013	-0.0000336	0.00004	-2.87	0.00
LR Statistics	59.75		McFadden R ²		0.1246
Prob (LR Stat)	0.0000		Observations		346

Expectations of future settlement in Lahore or Multan have also positive influence on students' participation. The highly significant coefficient at 1 percent level of significance is an indication that students who desire to settle in Lahore or Multan induce these students to search job during their studies so that they can have good experience during student life. The probability of work participation increases by 17.84 or 18.18 percentage points if they want to settle in Lahore or Multan after completing their studies. Family size may also result in increased incentive to participate in labour force. It may be due to the reason that students having large family size motivates them to do some job to support them during studies because their parents have to finance their large family. Their parents cannot finance their education expenditure studying at university level. As a result, students are motivated to do jobs due to their large family size. However family size is statistically insignificant. Similar conclusion was drawn previously by Naqvi and Shahnaz (2002), Faridi *et al.* (2009), Faridi *et al.* (2010).

High fathers' or guardians' income of students may have contributed to decrease job participation. Guardians' or Fathers' higher income levels do not motivate students to do jobs. They provide their children with every facility so that they can pay full attention to their studies and not to engage in jobs during studies. But small marginal effect suggests that the income factor has very small impact on their participation in economic activities. The probability of being engaged in jobs diminishes by about 0.00045 or 0.00046 percentage points due to one rupee increase in Guardians' or Fathers' income. Married marital status of students has found to affect students' decision of doing jobs positively and coefficient is statistically significant at 5 percent level of significance [Faridi *et al.* (2009), Malik *et al.* (2010), Faridi *et al.* (2010)]. Married students have responsibility to finance their family as well along with their studies. Their probability of being employed rises by 58.98 or 55.79 percentage points on the average.

TABLE 5

Variable	Coefficient	Marginal effects	Std. Error	Z-statistic	Prob.
C	-0.5884	—	0.79180	-0.7432	0.45
AREA	-0.6775	-0.16911	0.24806	-2.7312	0.00
B2	0.6911	0.17250	0.77103	0.8963	0.37
M1	1.2973	0.32381	0.70276	1.8460	0.06
M2	1.4608	0.36463	0.68575	2.1302	0.03
MPHIL	2.1214	0.52952	0.78449	2.7042	0.00
PHD	0.5022	0.12535	1.08153	0.4643	0.64
FS	0.7147	0.17840	0.24155	2.9589	0.00
FSIZE	0.0637	0.01592	0.04721	1.3508	0.17
FY	-0.000018	-0.0000046	0.000007	-2.4816	0.01
MS	2.3633	0.58988	1.12017	2.1097	0.03
PM	-0.000166	-0.000039	0.00004	-3.181	0.00
LR Statistics	67.26		McFadden R ²		0.1403
Prob (LR Stat)	0.0000		Observations		346

It is found that Pocket money of students is more important factor in influencing their labour force participation decision. Increase in Pocket money of students reduces the probability of the participation decision. Students having Re. 1 more pocket money are 0.0039 or 0.0034 percentage points less likely to participate in labor market. Value of intercept is statistically significant in table 4 but insignificant in table 5. Low McFadden R² does not reveal poor reflection of results but low R² is common phenomenon in cross sectional studies when number of observations is in hundreds.² LR Statistics is 59.75 and significant at 1 percent level of significance suggesting that overall model is reliable and significant based on our selected explanatory variables.

²Ahmad and Hafeez (2007)

V. Conclusion and Policy Recommendations

The present study has explored various socio-economic factors or reasons due to which students at university level are motivated to do jobs with their studies. The analysis is based on survey conducted by the authors in 2009. Sample of 346 Male students are gathered from University of the Punjab, Lahore and Bahauddin Zakariya University, Multan. Students belong to different regions of upper and lower Punjab were included in the survey. Empirical results suggest that there are many significant reasons of students' involvement in economic activities along with their studies. Education plays a vital role in determining their job status. Higher education level motivates students to participate more actively in labour market. It is evident from Marginal effects of enrollment in higher years of education. Extra years of education force students involve in economic activity. Students of M.Phil degree has high probability of being engaged in earning activities. But Ph.D. students are not found much interested in jobs during their studies. One possible reason may be that in universities mostly those students are doing Ph.D. who have Indigenous Scholarship for Ph.D. from HEC and they are bound for five years not to do job during their studies. Positive relationship is found between the students involvement in economic activity and those students who want to settle in Multan or Lahore after completing their studies, who have large family size and who are married. Students are less likely to participate if their Fathers' or Guardians' income level is high as they receive sufficient amount as Pocket money.

The results of this study suggest that students should be given scholarships so that students can pay more attention to their studies rather than their involvement in economic activity. There is a need that higher authorities should start practical internships for the students in their relevant subjects so that they can have practical knowledge during their student life and some earnings as well. On the other side, it can be observed that higher education provides more job opportunities for students not only after completing their degrees but also during their studies. Government of Pakistan should increase funds for education and research activities in every budget so that attainment of macroeconomic goals may become possible in future.

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