

Female Labour Force Participation

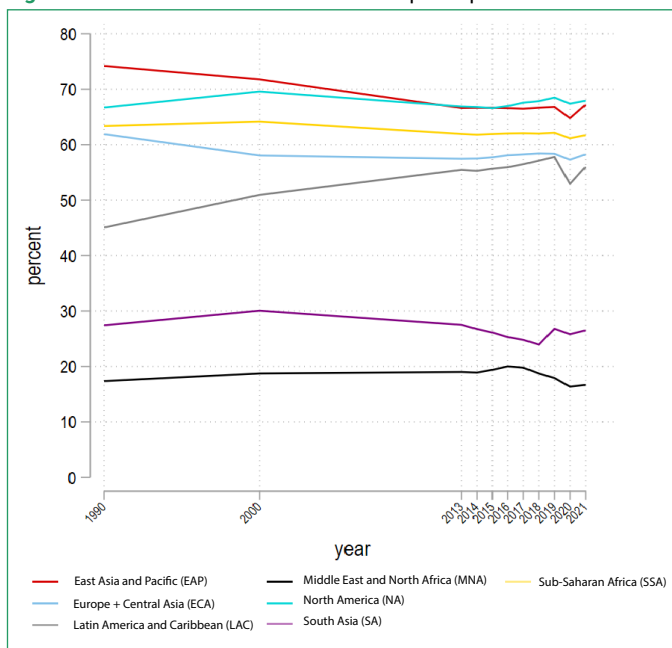
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This policy brief outlines the key policy takeaways from our VoxDevLit on **Female Labour Force Participation**. VoxDevLits are living literature reviews that summarise the evidence base on topics in development economics.

Throughout the world, women's labour force participation is lower than men's, though the gap between men's and women's labour force participation varies strikingly across regions. In most regions of the world, women's labour force participation has stagnated or fallen over the past 30 years, with Latin America a notable exception.

Figure 1: Panel A Women's labour force participation over time



Source: International Labour Organisation data retrieved from the World Development Indicators (data.worldbank.org). Adults ages 15 to 64 included. The ILO defines labour force participation as "Economically Active: All People Who Supply Labour For The Production Of Goods And Services During A Specified Period."

Increasing women's labour supply is a common goal for policymakers, given its positive impacts on women's empowerment, children's human capital, and overall economic growth. This requires understanding both the constraints women face, and how policy can alleviate these constraints:

Constraints: Women's labour force participation is affected by both "tangible" constraints such as childcare availability or harassment on transportation to work, and by more "intangible" constraints such as norms against women's work and psychological barriers.

Policy: These constraints can be addressed by policies that target women (e.g. by raising their bargaining power), their communities

(e.g. by increasing childcare availability), as well as interventions that prompt businesses to address discrimination against women or offer more female-friendly amenities.

Factors affecting women's decision to participate in the labour force

Childcare availability

Throughout the world, women spend more time on childcare than men. While there is mixed evidence that reducing fertility causally increases women's labour supply, there is robust evidence that improving childcare availability increases women's labour supply.

- Recent research suggests that a promising way to do this is through community-provided childcare centres. Evidence from Burkina Faso and the DRC is particularly striking in demonstrating that mothers are interested in utilising childcare centres even when newly opened (compared to expansions of existing programmes).

Empowering women within the household

- Within the household, women's bargaining power is a determinant of their labour supply.
- Interventions that empower women within the household by increasing their access to or ability to control resources, through interventions such as increasing inheritance rights or access to mobile money and savings, can increase their labour supply outside the household.

Changing men's attitudes

It is possible to increase men's support for women's work by changing their attitude toward or beliefs about women's work, either by:

- educating** men about the social acceptability of the work environment
- correcting misperceptions** about other men's beliefs about the social acceptability of work

However, in the presence of other constraints such as household chores, attitude changes may not be sufficient to increase women's labour supply in the longer term.

Intervening with teenage boys is a potential avenue to change attitudes in a way that will lead to behavioural changes that support women's work.

Psychological interventions

- Raising aspirations, improving generalised self-efficacy and prompting respondents to visualise the future can increase women's labour supply.
- The evidence on depression treatment's effect on women's labour supply is more mixed, and likely is not sufficient to overcome other barriers in environments where it is low.

Safety and harassment

A lack of safety and harassment in public spaces decrease women's investment in human capital and their labour supply. How can policymakers tackle this issue?

- In schools, there is evidence that training directed at students and/or teachers reduces the harassment faced by female students in primary, secondary, and tertiary education.
- On public transportation, evidence on how to reduce harassment is limited, though increased policing might be a promising approach.
- In the workplace, even less is known about how to stop violence against women, though policies to increase female managers may help.

Workplace amenities valued by women

- Relatively few workplaces offer amenities which female employees value, such as childcare or flexibility, which limits women's mobility and contributes to gender pay gaps.
- Government provision of such amenities can have spillover consequences to women in the private sector; unions or international buyers can also have a role in pushing for these amenities.
- A surprising conclusion of some recent studies is that these improvements in female friendly amenities can manifest without observed trade-offs in workers' wages, employment, or firm profits. Thus, they suggest the possibility that providing female-friendly amenities is both profitable to employers and beneficial to employees.

Factors affecting employers' decision to hire female workers

Discrimination

- Discrimination is a barrier to women's hiring and, particularly, to promotion.
- Inaccurate beliefs, preferences of customers/subordinates and paternalism are contributing factors.
- Evidence on overcoming these barriers is scant, but affirmative action has the potential to be helpful.

Education and training

Increasing education, and providing vocational/entrepreneurship training, have mixed effects on women's labour supply and earnings, and there is no evidence that training on average improves women's outcomes more than men's.

The fact that treatment effects are larger on average when women's labour supply is higher suggests that human capital is not sufficient to increase labour supply in the presence of other barriers.

Globalisation

Globalisation increases women's labour supply in areas where the industries helped by tariff reductions are differentially female-heavy, but decreases women's labour supply if the affected industries are more male-heavy or if women-heavy industries are hurt by increased import competition.

More evidence is needed...

- ... on the impacts of having women in supervisory, managerial and leadership positions within firms in low-income countries
- ... on improving women's safety, and reducing the harassment they face, in public places and the workplace
- ... on the gendered effects of global trends including AI, climate change and the rise of remote work
- ... to establish which aspects of the intra-household bargaining process are most important for women's labour supply
- ... on what interventions would represent a profitable investment for private firms, the contexts in which they succeed, and more generally, represent high benefit relative to cost.

For a deeper dive into the research underlying these broader takeaways, check out the full VoxDevLit [here](#).