

# Women's Labour Force Participation



*Source: New York Times*



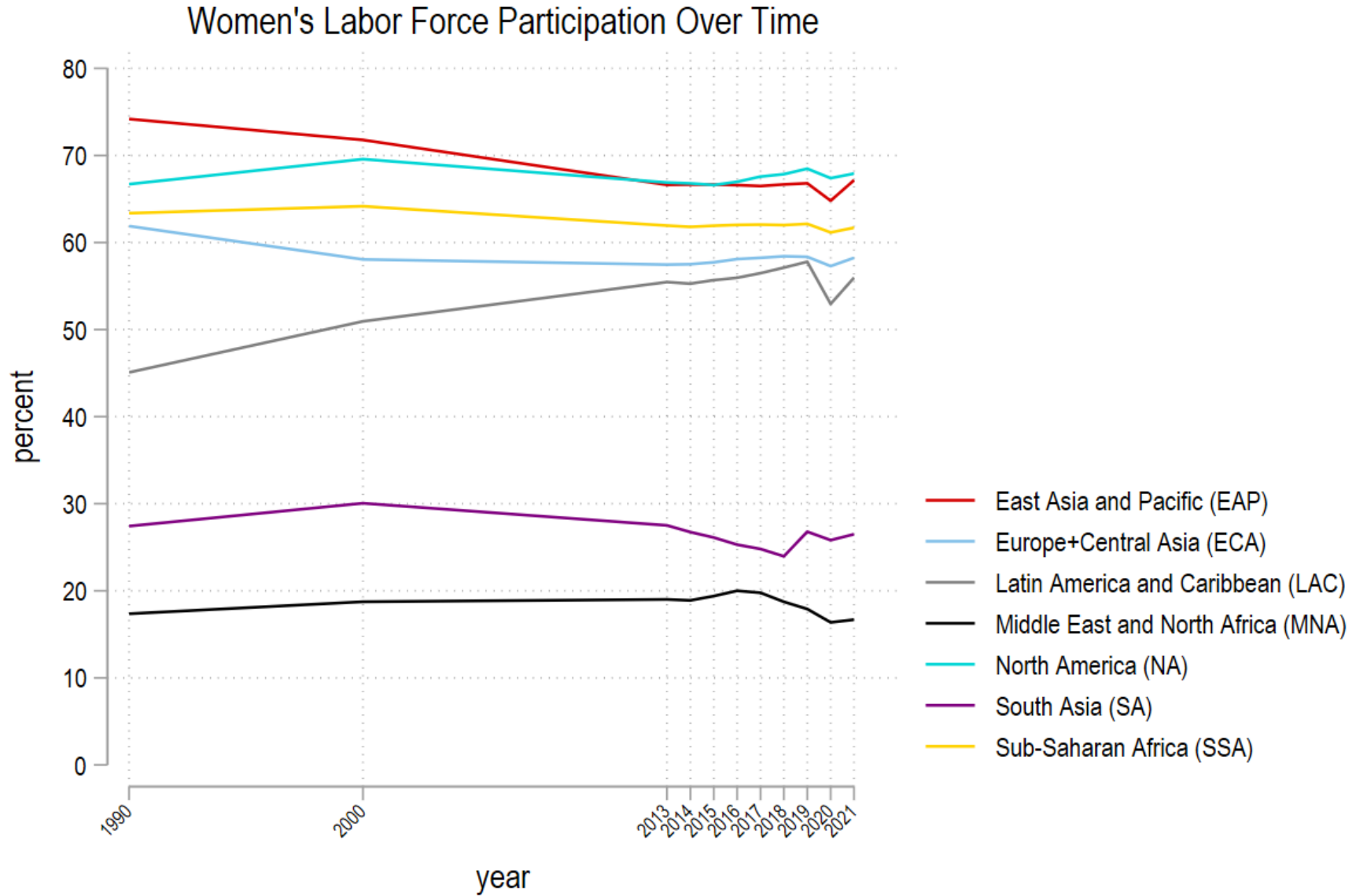
*Source: Joe Ronzio/IWMI*



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Source: International Labour Organisation data retrieved from the World Development Indicators ([data.worldbank.org](http://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.”

# Why do we care about women's labour supply?

It has important benefits, at the household level:

- Women's empowerment (Atkin 2009, Majlesi 2016, Molina and Tanaka 2023)
- Human capital of children, especially girls (Qian 2008, Atkin 2009, Heath and Mobarak 2015)

And society wide:

- Promotes overall economic growth (Hsieh et al. 2019, Ashraf et al. 2022, Bandiera et al. 2022)

# Determinants of women's labour supply

- Broadly divided into
  - Supply-side: Factors affecting women's decision to participate in the labour force
  - Demand-side: Factors that affect employers' decision to hire female workers
- Constraints on both sides frequently interact

# Determinants of women's labour supply

- Broadly divided into
  - Supply-side: Factors affecting women's decision to participate in the labour force
    - Fertility and childcare
    - Intra-household constraints
    - Norms
    - Psychology
    - Safety and harassment
    - Workplace amenities
  - Demand-side: Factors that affect employers' decision to hire female workers

# Determinants of women's labour supply

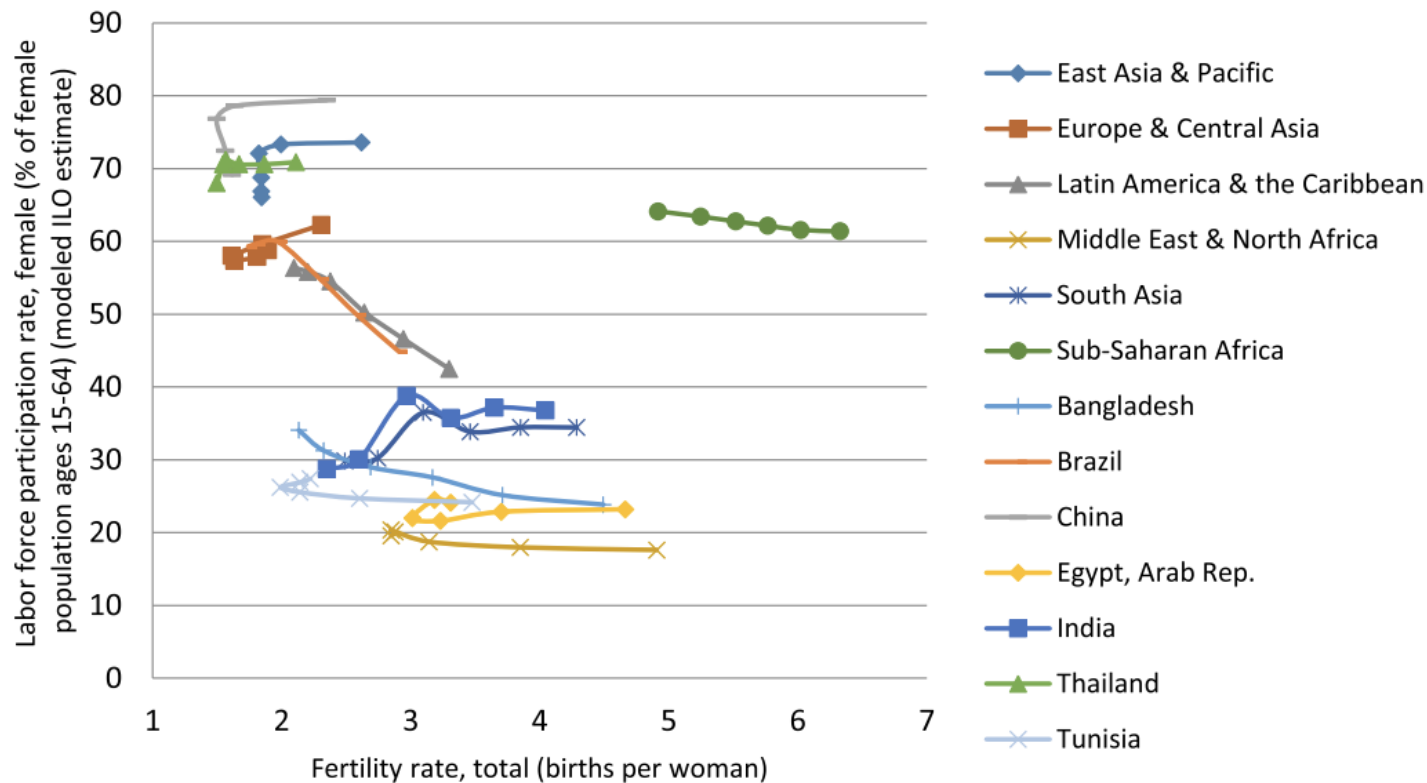
- Broadly divided into
  - Supply-side: Factors affecting women's decision to participate in the labour force
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    - Discrimination
    - Education and skills
    - Globalisation

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# Fertility and women’s labour force participation

**Figure 1.** Total Fertility Rate and Female Labor Force Participation Rate (15–64) by Region and Selected Countries, 1990–2015



Source: World Development Indicators.

Aaronson et al. (2021). Key sources of heterogeneity:

- level of economic development
- the structure and types of jobs available to women

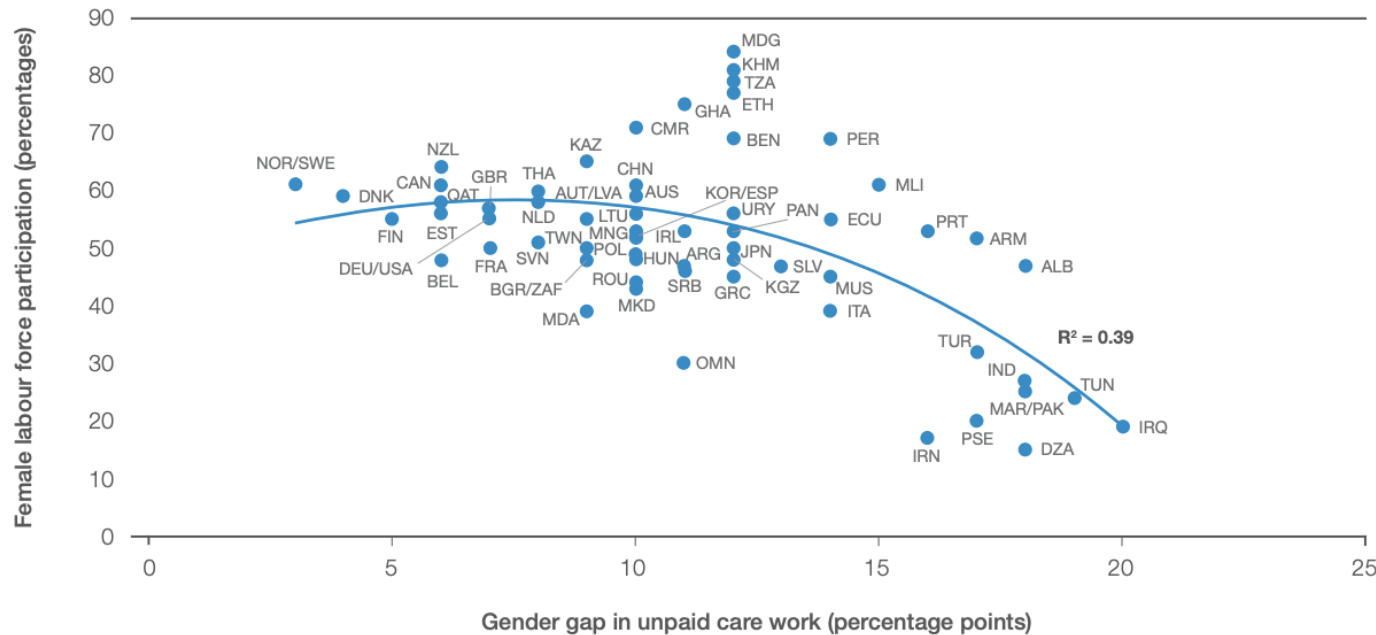
Delaying first birth can be particularly important (Herrera Almanza et al., 2019)

Source: Klasen (2019) based on World Development Indicators.



# Caregiving and women’s labour outcomes

Figure 2.9. Relationship between the gender gap in unpaid care work and women’s labour force participation, latest year



- Women bring children to work, leading to lower earnings (Delecourt and Fitzpatrick 2021)
- Children affect the industries women join (Delecourt et al. 2023) and prompt a switch from wage to self-employment (Heath 2017, Berniell et al. 2021).

# Effects of childcare availability

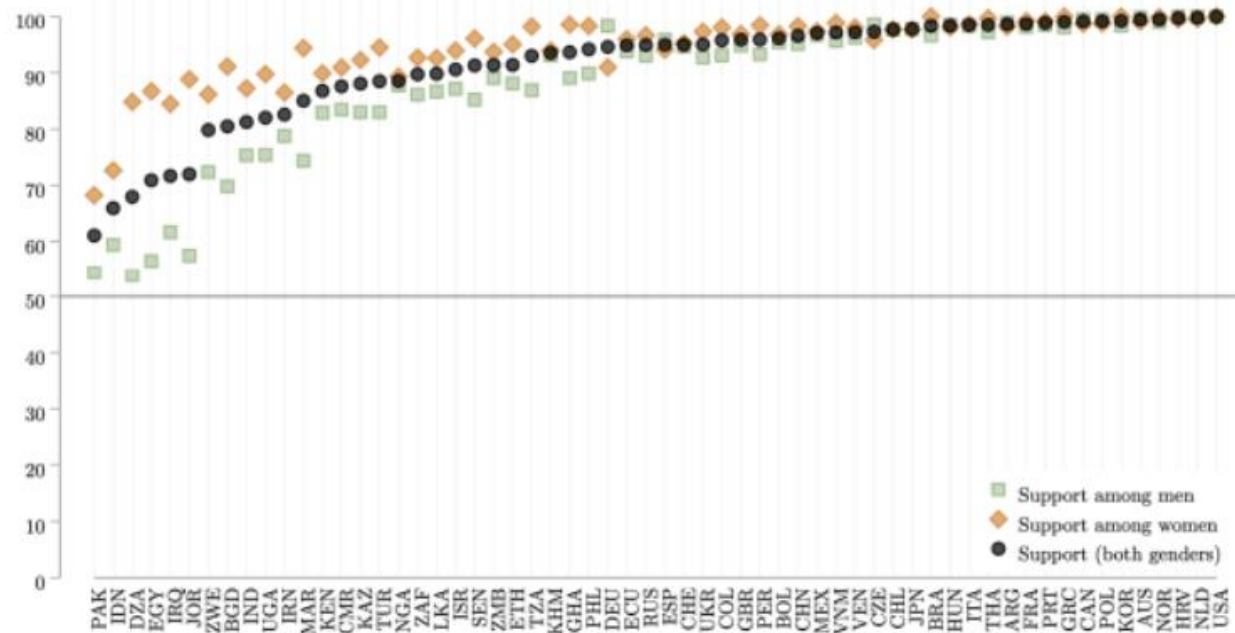
- Meta-analysis (Halim et al., 2023): 21 of 22 studies in low-income countries increased women's labour supply
  - Effects on both extensive and intensive margin
  - Also some evidence of effects on earnings
- How to provide childcare? Recent success of community-organized programs in DRC (Donald et al., 2023) and Burkina Faso (Ajayi et al., 2022)

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# Potential for disagreements about whether a woman works

Agreement with the statement “Women should have the freedom to work outside of the home.”



Source: Bursztyn et al. (2023) using the Gallup World Poll 2020

# Option 1: Increase women's bargaining power/ability to control income

- Empowering women can increase labour supply
  - Field et al (2021): an experiment with women workers in a public works program in India. Women whose income deposited into an account in their own name worked more, both for the public works program and outside of it.
  - Heath and Tan (2020): women in India whose inheritance rights have improved are more likely to work outside the home.
- But an RCT encouraging couples to discuss job opportunities led to fewer women taking up a job (Lowe and McKelway, 2023).

## Option 2: Increase men's support of women's work

- McKelway (2023a) offered women jobs with a carpet manufacturer in India. Treated women's husbands and parents-in-law were shown a video meant to assuage concerns about safety and household responsibilities.
  - Treatment increased labour supply.
  - But effects faded after 1 year. Women didn't reduce the amount of work within the house.
- Dhar et al. (2022) target attitudes of adolescent boys. Treated boys did more household chores.

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# Norms are important determinants of women's labour supply

- labour force participation of immigrants correlated with gender roles in country parents' country of origin (Fernandez and Fogli, 2009).
- Norms have deep-seated roots.
  - Pre-industrial tilling practices can help explain gender norms and rates of women's work today (Boserup 1970; Alesina et al, 2013).
- But norms can also evolve.
  - Hindus' adherence to caste purity norms can be explained in part by variation in the local presence of Adivasis (the indigenous minority) in their village (Agte and Bernhardt, 2023).



# Can norms be changed?

- Targeting men (McKelway 2023; Dhar et al 2022) as just discussed
- Also: men seem to underestimate support for women's work (Bernhardt et al., 2018; Bursztyn et al., 2020; Bursztyn et al., 2023)
  - Correcting these misperceptions can increase women's labour supply (Bursztyn et al., 2020).
- And women working can shift societal attitudes (Field et al, 2021) and the woman's own attitudes (Ho et al, 2023) around work.
  - Potential for a “virtuous cycle”

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# Aspirations

- Orkin et al (2023): a 60-90 minute workshop designed to raise aspirations (while keeping them in reach) raised women's labour supply 17 months later in Kenya
  - No additional role of workshop in a cash grant arm
- Ahmed et al. (2023): a video-based intervention showcasing relatable employed women raised women's labour supply 18 months later (at the start of the Covid-19 pandemic)
  - But no effect earlier. Suggests a complementary role of “push” factors in getting women into the labour force

# Other psychological factors

- A psychosocial intervention designed to raise GSE in India – “beliefs in one’s ability to reach goals” (McKelway, 2023b)
  - Intervention increased women’s labour supply, but effect faded after one year
- Mental imagery (Ashraf et al., 2022)
  - Psychology and neuroscience: visualizing future outcomes “in the mind’s eye” can improve the quality of decision-making
  - Women entrepreneurs in Colombia assigned to a visualization treatment had higher profits
- Mental illness treatment
  - Psychotherapy for depressed mothers in Pakistan increased financial empowerment (Baranov et al., 2020). Positive but noisy effects on labour supply, which is uncommon.
  - Medication does not increase labour supply of depressed women in India (Angelucci and Bennett, 2024)

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# Women experience violence/harassment in many areas

- In school
  - E.g. three out of ten adolescents in Latin America have suffered some form of sexual harassment in schools (UNICEF 2017, UNICEF 2018)
- In public spaces
  - 6% of women in Brazil, 79% in India, and 86% in Thailand have been subjected to harassment in public in their lifetime (ActionAid 2016)
- At work
  - 13.5% of Bangladeshi garment workers in a large, well-respected firm report being threatened in the workplace, 5.7% report being subject to physical harassment, and 7.7% report being subject to sexual harassment (Boudreau et al, 2023)

# This harassment constrains women's choices

- Violence in school affects school enrolment (sometimes). (Palermo et al., 2019)
- Women in Delhi, India choose lower quality colleges than equally high achieving men, to travel by a safer route to university (Borker, 2021)
- Prompts women in Sweden to take a pay cut (Folke and Rickne, 2022)

# What can be done to address harassment?

- Schools
  - Invest in school principals' skills to manage school violence in Peru (Smarrelli, 2023)
  - Increase awareness among students about the negative consequences of harassment, encourage them to stand against this problem and facilitate students' ability to report violent incidents (Gutierrez et al, 2018)
  - Class-based sexual harassment awareness training with university students in Delhi (Sharma, 2023)
- Public transportation
  - Faster/more efficient public transit (Martinez et al., 2020)
  - Women-only cars (Kondylis et al., 2020)
  - Patrols by police that targets sexual harassment in public spaces (Amaral et al., 2023)
- Workplaces
  - Women managers more likely to fire perpetrators (Adams-Prassl et al., 2022)
    - Sexual harassment training programs for managers (Dobbin and Kalev 2019) increase the number of women managers



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# Certain amenities increase women's job satisfaction and labour supply

- Flexibility (Ho et al., 2023; Jalota and Ho, 2023)
- Maternity leave, flexibility, and childcare (Corradini et al., 2023)
- Safety at work (Boudreau, 2022) and on commutes (Field and Vyborny 2022, Buchmann et al. 2023)
- Working with other women (Chiplunkar and Goldberg, 2021)
- Dignity and voice (Adhvaryu et al., 2022)

But: Few employers provide these amenities, even given evidence that doing so is potentially profitable. Gives employers monopsony power over women workers (Sharma, 2023).

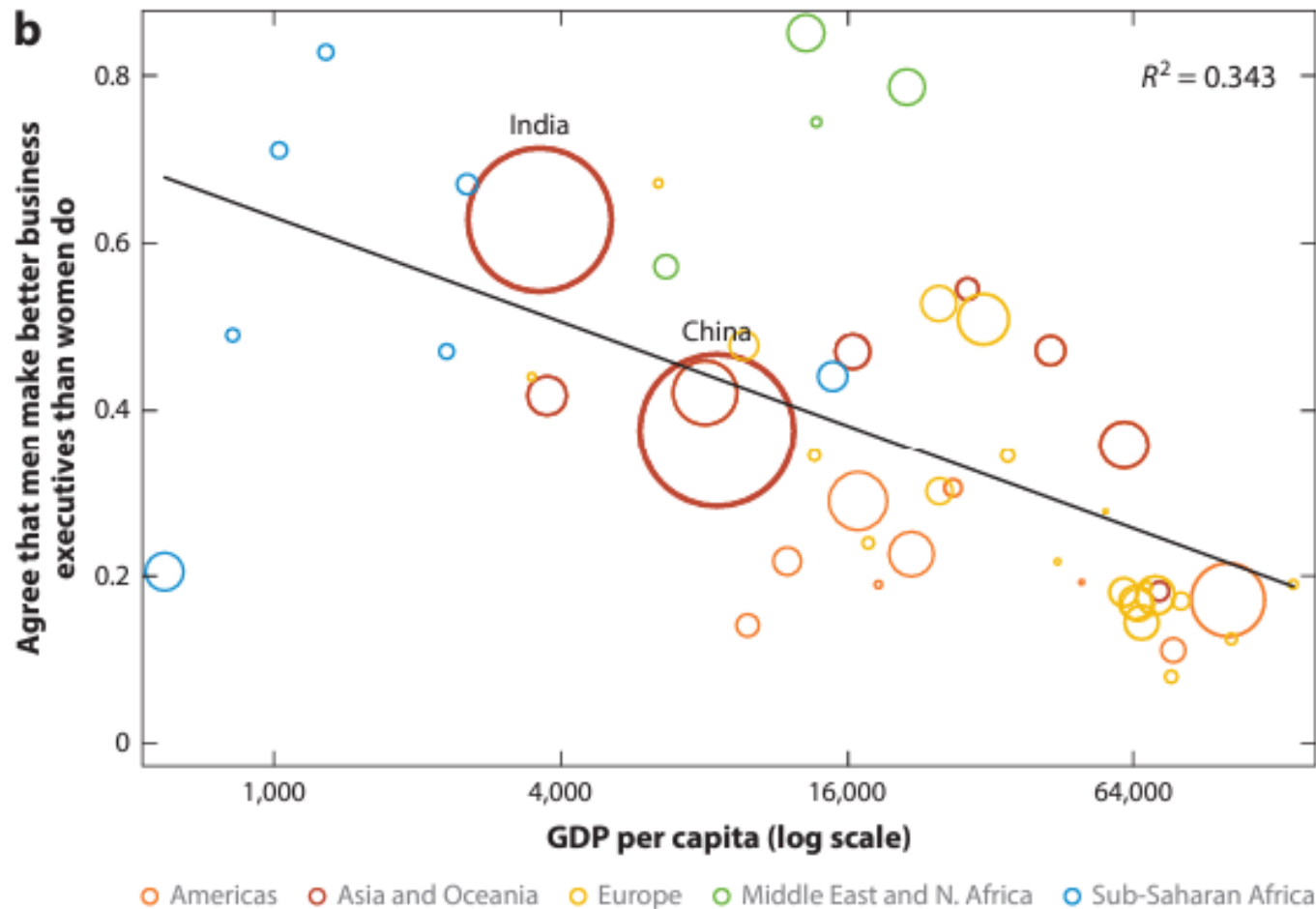
# Ways to promote female-friendly amenities

- Government provision (e.g. childcare)
- Unions (Corradini et al. 2023)
  - A reform caused Brazil's largest trade union federation (CUT) to prioritise women's needs in collective bargaining.
  - Women more likely to work at affected businesses, with no change in women or men's wages, employment, or firm profits
- International buyers (Boudreau, 2022; Alfaro-Ureña et al., 2022; Bossavie, Cho, and Heath, 2023)
  - Reductions in employment? Yes (Alfaro-Ureña et al., 2022); No (Boudreau, 2022; Bossavie, Cho, and Heath, 2023)
- Firms themselves (Kuhn and Shen, 2013)
  - Firms no longer allowed to explicitly requesting workers of a specific gender. Match quality improved.

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# Employer preferences over gender



Employers in low-income countries frequently request applicants of a specific gender (Kuhn and Shen, 2013; Ningrum et al., 2020; Helleseter et al., 2020; Chaturvedi et al., 2021)

Women targeted for lower paid/less prestigious positions.

# What can be done?

- At the hiring stage
  - Inform applicants of an affirmative action policy (Ibanez and Riener, 2018)
  - Improved safety can reduce “paternalistic discrimination” (Buchmann et al., 2023)
- Getting women into managerial positions
  - People less likely to follow advice of female leaders, but information on their competence can help (Ayalew et al., 2021)
  - Macchiavello et al. (2023) randomly assign newly promoted women and men supervisors. Female supervisors initially have lower productivity, but eventually workers on their line are more open to future female supervisors.

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# Improving women's skills

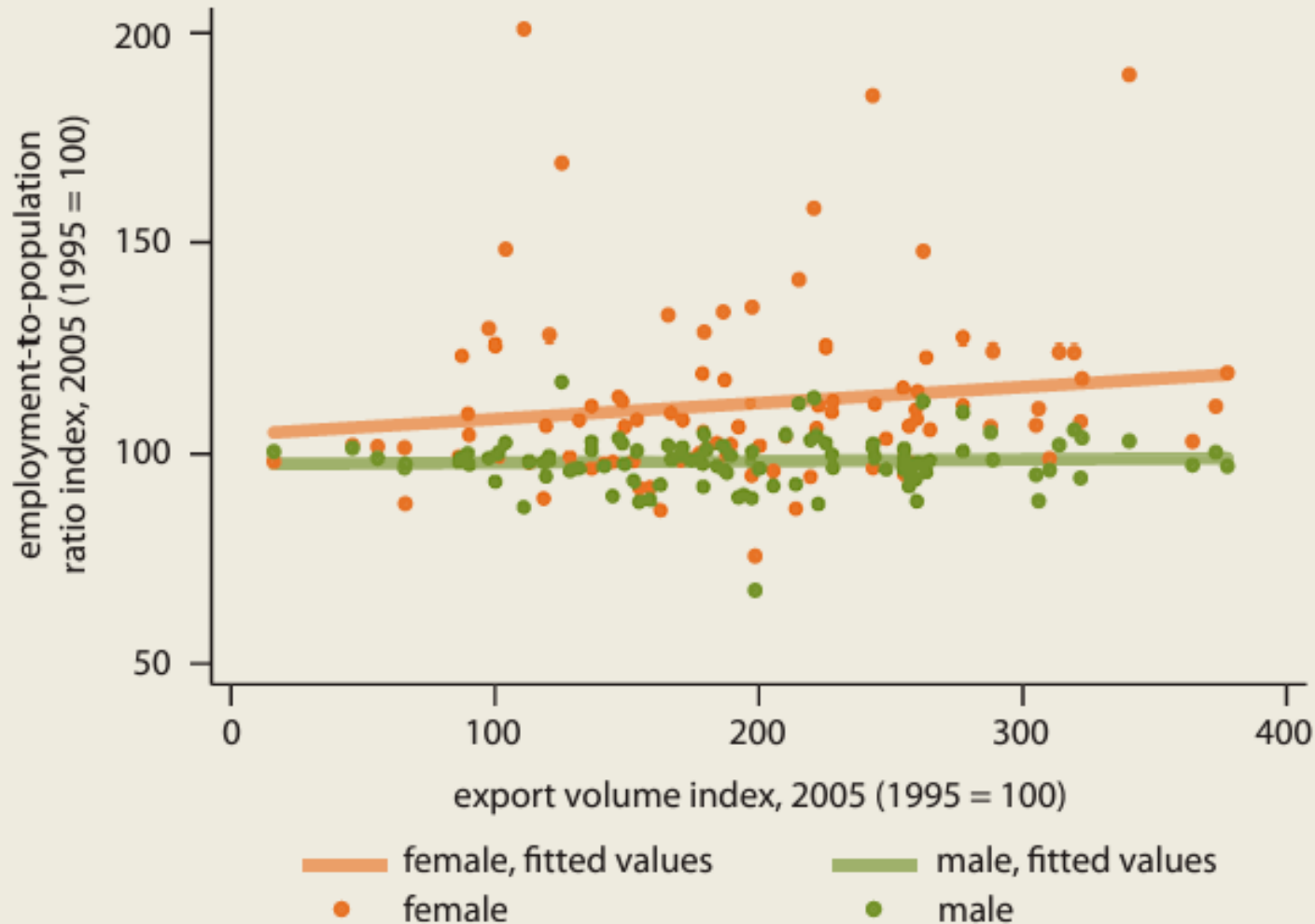
- Theory: increased human capital (via formal schooling, vocational training, and entrepreneurship training) → increased potential earnings → increased labour force participation
- But, there may be other constraints to women's labour supply
  - Training programmes are more effective when women's labour supply is already high (Bandiera et al, 2022)
- Indeed, mixed effects of increased education and vocational/entrepreneurship training on women's labour supply and earnings
  - And no evidence that training on average improves women's outcomes more than men's.



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**FIGURE 6.3b** ... and increases in female employment levels (but not male) between 1995 and 2005 were correlated with increases in international trade



Source: World Development Report (2012) using data from the World Development Indicators

# Heterogeneous impacts

- Tariff reductions hurt import-competing industries
  - Decreased gender gap in labour force participation in Brazil (Gaddis and Pieters 2017)
  - Increased gender gaps in labour force participation in China (Yu et al. 2021) and Peru (Mansour et al. 2022).
  - Factors: distribution of women across sectors, within-sector tasks done by women versus men
- Tariff reductions in India's manufacturing sector increased the gender wage gap in more concentrated industries (Menon and van der Meulen Rodgers, 2008).
  - Counter to economic theory.

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- Concluding thoughts

# What works to increase women's labour supply?

- Programs with consistently positive impacts
  - Increasing childcare availability
  - Empowering women within households
  - Psychological interventions
  - Prompting businesses to offer amenities like flexibility that female employees value
  - Increased globalisation among export industries that disproportionately hire women

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- Programs with mixed impacts (e.g. skills training, depression treatment) are likely not enough to overcome other barriers where women's labour supply is low
- Many other areas (e.g. addressing discrimination, improving safety in public spaces) are particularly open questions
  - As well as the best ways to provide successful interventions