Female labour force participation around the world: trade-offs between preferences, gender norms, and socioeconomic constraints

Stefan Kühn and **Sheena Yoon**
Research Department, International Labour Organization

INTRODUCTION

- **Gender gaps persist and slowdown in the recent decade**

- This indicates that women are still facing a multiplicity of constraints <u>restricting their capabilities and freedoms to access the labour market</u>

- **ILO-Gallup survey finding: 70 per cent** of women around the world in 2016 **prefer to work a paid job** (despite their labour market status)

- Analysis of ILO-Gallup survey Q's designed to **capture the perception and opinions of women about their position in the labour market**

- **Some references:** Besamusca et al. 2015, Klasen and Pieters 2012, Mammen and Paxson 2000, Uysal 2004
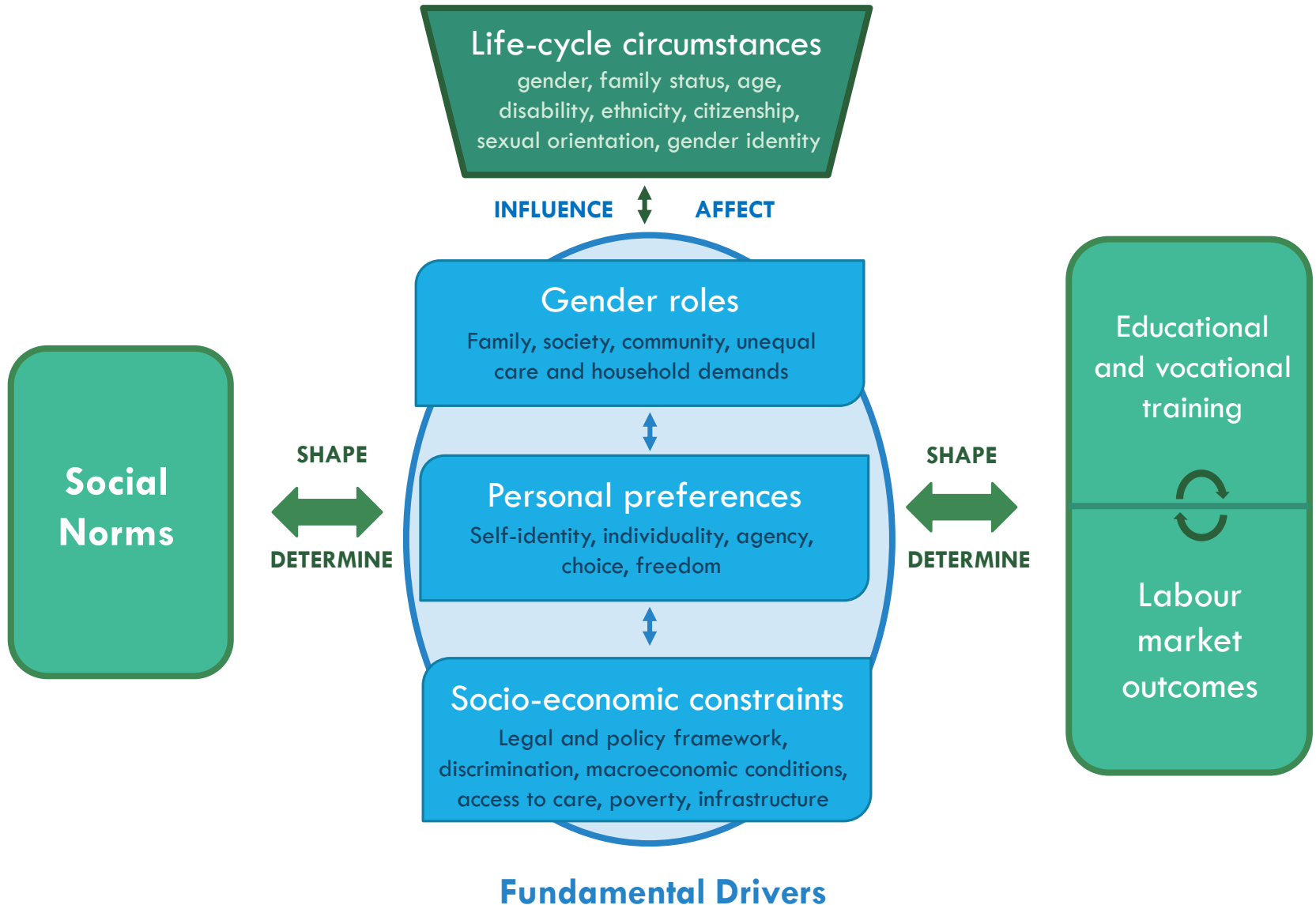
WHAT ARE WE DOING?

Estimate female labour force participation

Contribution:

• capture the voices of women in the world of work

• global overview: **121** countries

• age groups (life-cycle of women)

• impact by different country groupings

• quantify the impact of drivers on female labour force participation

CONCEPTUAL FRAMEWORK

Life-cycle circumstances
gender, family status, age, disability, ethnicity, citizenship, sexual orientation, gender identity

INFLUENCE ⬍ AFFECT

Gender roles
Family, society, community, unequal care and household demands

Personal preferences
Self-identity, individuality, agency, choice, freedom

Socio-economic constraints
Legal and policy framework, discrimination, macroeconomic conditions, access to care, poverty, infrastructure

Social Norms

SHAPE

DETERMINE

Educational and vocational training

Labour market outcomes

SHAPE

DETERMINE

Fundamental Drivers

HYPOTHESIS

- **Children** (–)
  - Household #

- **Marriage** (–)

- **Age** (inverted u-shaped)

- **Poverty** (+)
  - No food or shelter

- **Gender roles** (–)
  - Religion, household acceptability, urban/rural

- **Preferences** (+)

- **Education** (+)

- **Challenges** (–)

- **ICT** (+)

- **Religion** (-)

- **Outlook** (+)
  - Life evaluation of socio-economic conditions

DATA DESCRIPTION

- 2016 Gallup World Poll, microdata covering 149,000 persons in 142 countries → Sample: **60,408 women, 121 countries**

- **ILO-Gallup joint survey designed 4 specific questions:**
  1. Would you PREFER to work at a paid job, or stay at home and take care of your family or both?
  2. It is perfectly acceptable for any woman in your family to have a paid job outside the home IF SHE WANTS ONE. Do you agree?
  3. Please think about women who work at paid jobs in [country/territory name] today. What do you think is the BIGGEST challenge these women face?
  4. If a woman has similar education and experience to a man, does she have a better opportunity, the same opportunity, or a worse opportunity to find a good job in the city or area where you live?

EMPIRICAL METHODOLOGY I

Estimate individual probability to participate

- Binary dependent variable Y=[0,1]
- Probit model
- $\text{Prob}(Y = 1|X) = \Phi(X^T\beta)$
  - $\Phi()$ is cumulative distribution function of normal distribution

Specifying independent variables X

- Individual characteristics according to framework
- Pool countries
  - increase sample size
  - obtain more general results
- Insufficient country-level information → **country fixed effects**
- Different β for different groups
  - interaction terms

EMPIRICAL METHODOLOGY II

Group by age to account for life-cycle effects

- Young (15-24)
- Prime age (25-54)
- Older (55+)

Group by countries

- Low income
- Non-low income with low LFPR gap
- Non-low income with high LFPR gap

Interact both with all variables

EMPIRICAL METHODOLOGY III

Estimated equation

Age +

Age#CountryGroup#(

  prefer to work#(

    partnered + acceptable to work + urban + islam)+

  education + kids + household members + internet + phone+

  women's opportunity + optimism + poor + challenges) +

Country fixed effects + error term

- **Use survey weights in estimation**
- **Set sampling strata at country level to adjust standard errors**

EMPIRICAL METHODOLOGY IV

1. **Compute average marginal effect**

   ▪ Taking all other variables at actual value

2. **Compute cumulative conditional effect**

   ▪ Compute lowest probability to work by setting variables at respective values

   ▪ For non-poor women

   ▪ Reverse values of variables by category of drivers, one at a time

   ▪ See conditional marginal effect of categories

Unconditional marginal impact of drivers on the probability to participate in the labour market

	Youth Age 15-24	Prime-age Age 25-54	Older Age 55+
Personal preference			
Prefer paid work	0.10***	0.18***	0.15***
Socio-economic constraints			
Mild poverty	0.05***	0.02**	0.06***
Severe poverty	0.09***	0.03***	0.12***
Positive outlook of opportunities	0.00	0.02**	0.06***
Optimism	0.02	0.03***	0.12***
Married/partner	0.07***	-0.05***	0.03***
Children	-0.01	-0.03***	0.04***
Internet	-0.01	0.06***	0.10***
Phone	0.06***	0.03**	0.03**
Gender role conformity			
Urban	0.01	-0.00	-0.05***
Acceptability	0.02	0.06***	0.04*
Religion: Islam	-0.09***	-0.06***	-0.06***
Education			
Secondary education	0.04***	0.04***	0.06***
Tertiary education	0.21***	0.14***	0.11***
Observations	11,693	33,369	15,346

REPORTED CHALLENGES IN THE LABOUR MARKET

Regional proportions among women and estimated coefficients, 2016

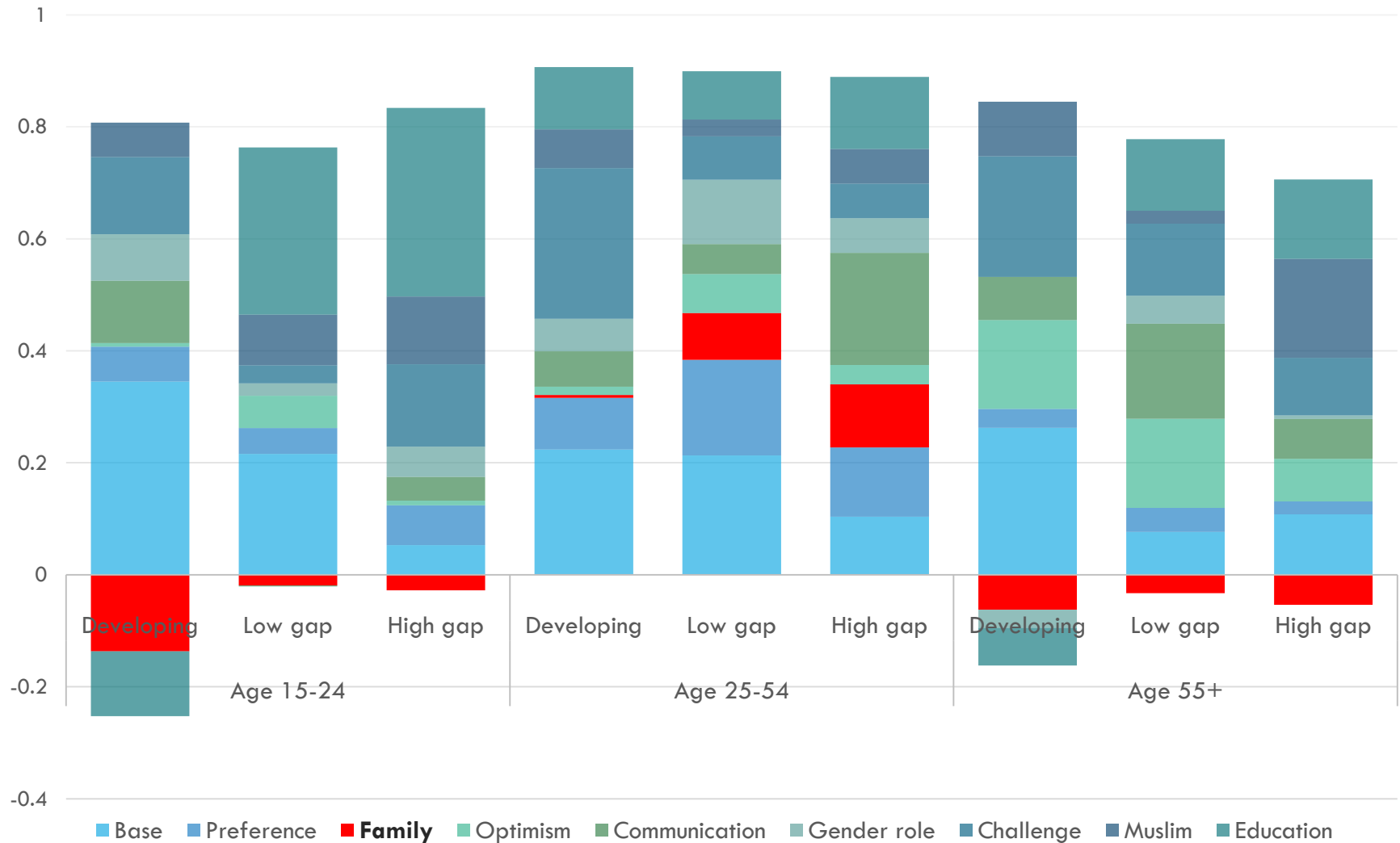| Challenges	Developing		Low gap		High Gap	
	Frequency (per cent)	Coefficient	Frequency (per cent)	Coefficient	Frequency (per cent)	Coefficient
Lack of Flexibility	6.0	N/A	6.3	N/A	7.6	N/A
Work and family balance	17.3	-0.04	25.2	-0.00	25.4	-0.06***
Lack of affordable care	13.3	-0.05*	8.0	-0.01	8.4	-0.06***
Family member don't approve	7.9	-0.06**	2.1	-0.04*	5.3	-0.08***
Abuse, harassment, discrimination	17.6	-0.06**	9.2	-0.01	12.8	-0.05***
Lack of good paying jobs	7.6	-0.03	10.7	0.01	7.0	-0.02
Unequal pay	2.8	-0.02	9.5	0.02	4.3	-0.02
Lack of transportation	1.5	-0.18***	1.3	-0.01	2.8	-0.05*
Men prefered in job	2.0	-0.03	2.9	0.00	1.8	-0.03
Lack of skills	3.4	-0.02	2.0	0.02	2.2	-0.04

**Note: This table accounts for the survey sample of a total 70,561 observations representing the survey responses of women in 127

Even for non-poor women, women face the economic necessity to work in developing countries. Low gap countries captures the higher likelihood for women to participate except among 55+.

Legend: **Base** · Preference · Family · Optimism · Communication · Gender role · Challenge · Muslim · Education

Preferences matter for all age groups, but particularly for prime-age working women. Interestingly, slightly larger affect among youth in developing and high-gap countries.

Base | Preference | Family | Optimism | Communication | Gender role | Challenge | Muslim | Education
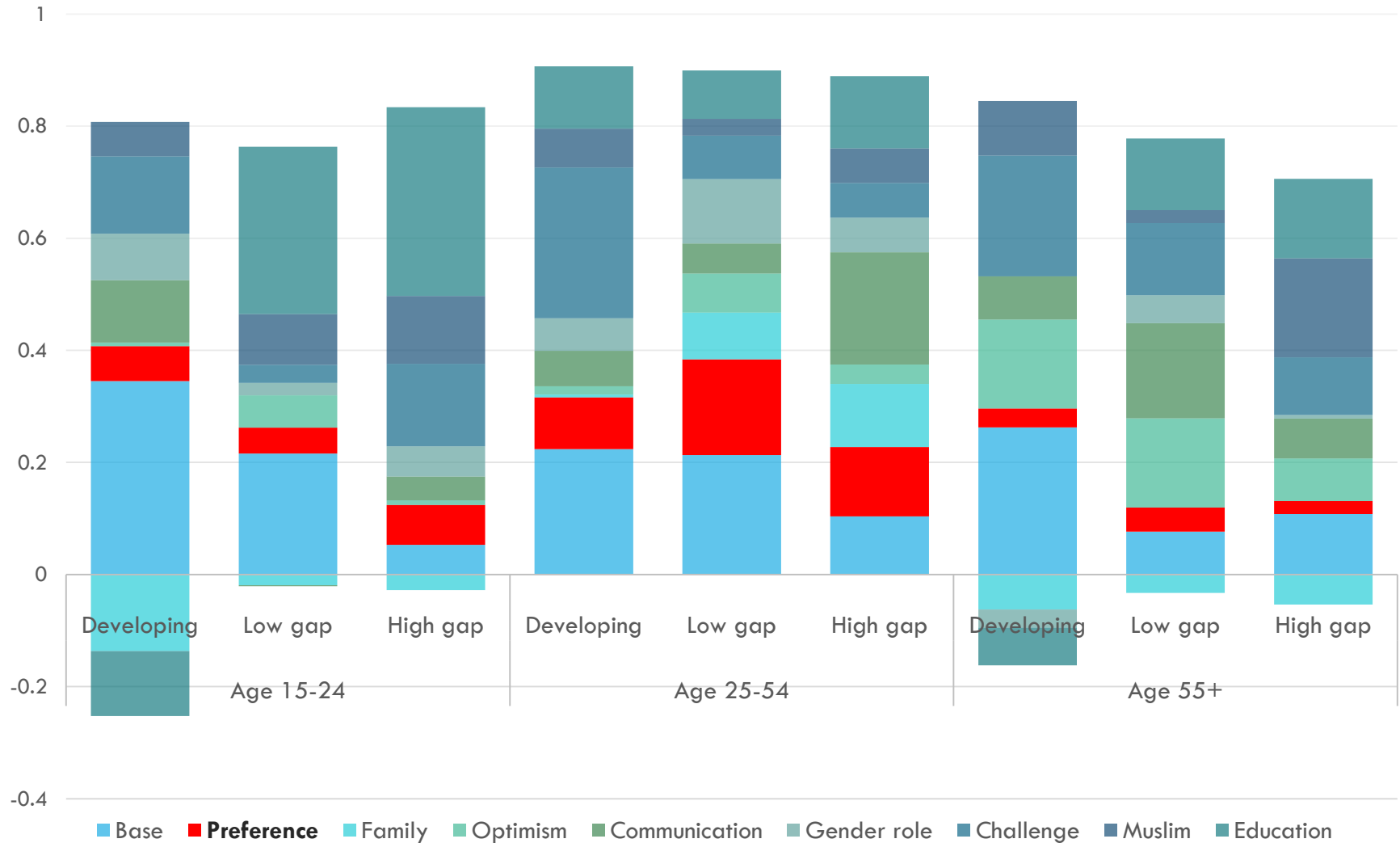
Being single and without children, has an inverted U-effect across the age-groups, suggesting the greater care demands prime-age working women face.


Legend: Base, Preference, **Family**, Optimism, Communication, Gender role, Challenge, Muslim, Education

Positive outlook on labour market opportunities is likely to increase the probability to participate, but to a greater extent for 55+
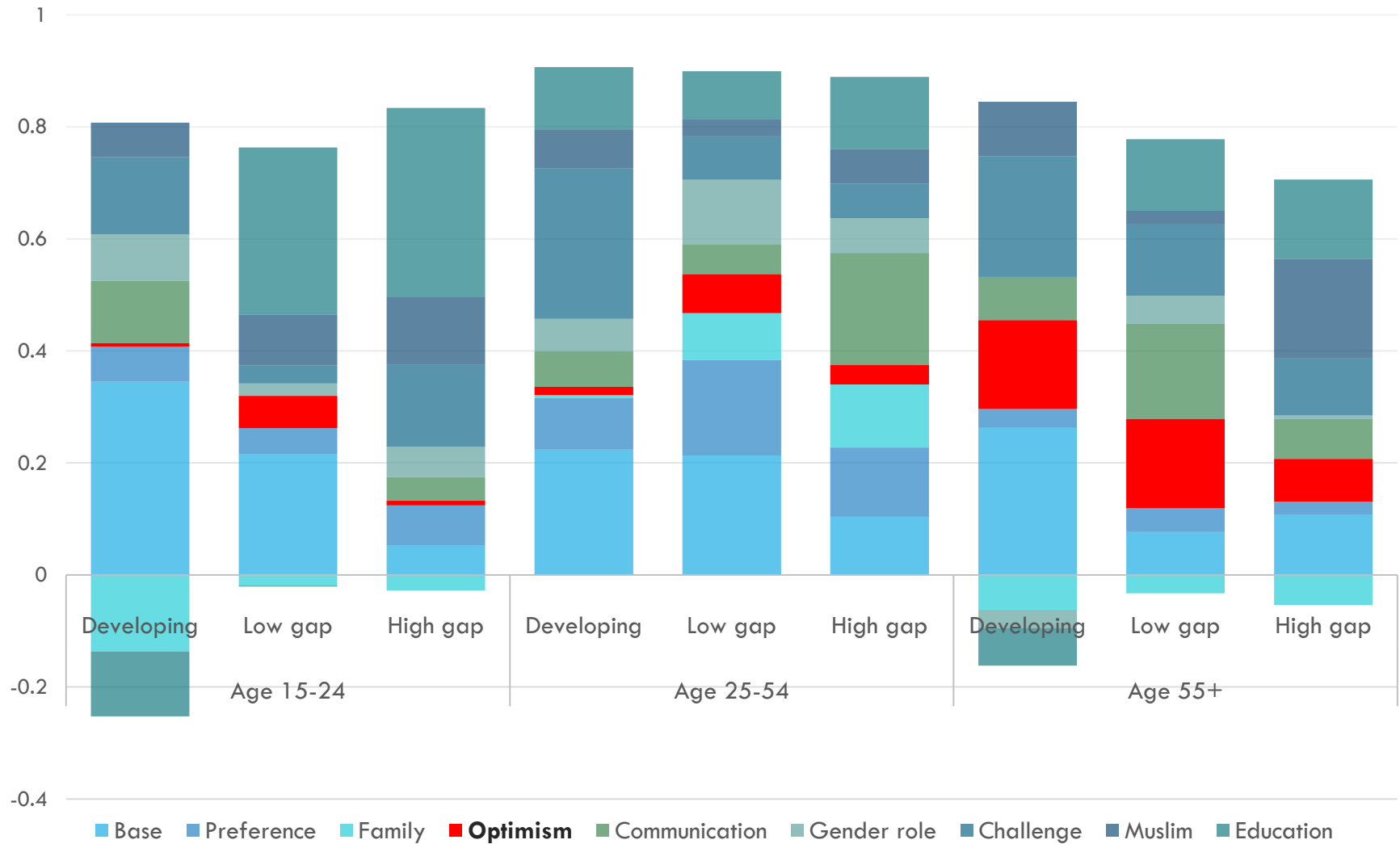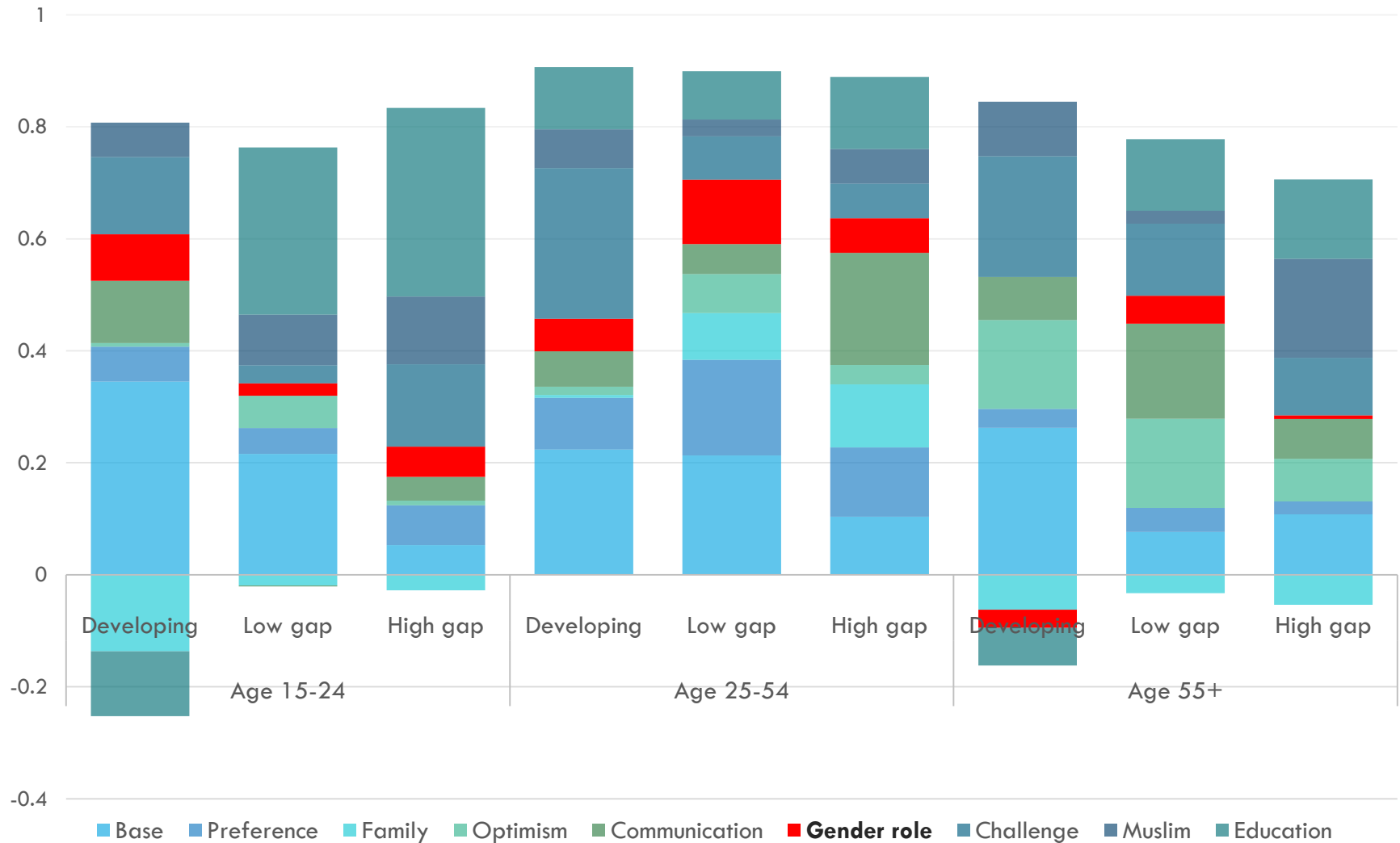
# Access to communication matter greatly for youth in developing, 55+ in low gap and high gap, and prime-age in high gap.

Legend: Base, Preference, Family, Optimism, **Communication**, Gender role, Challenge, Muslim, Education
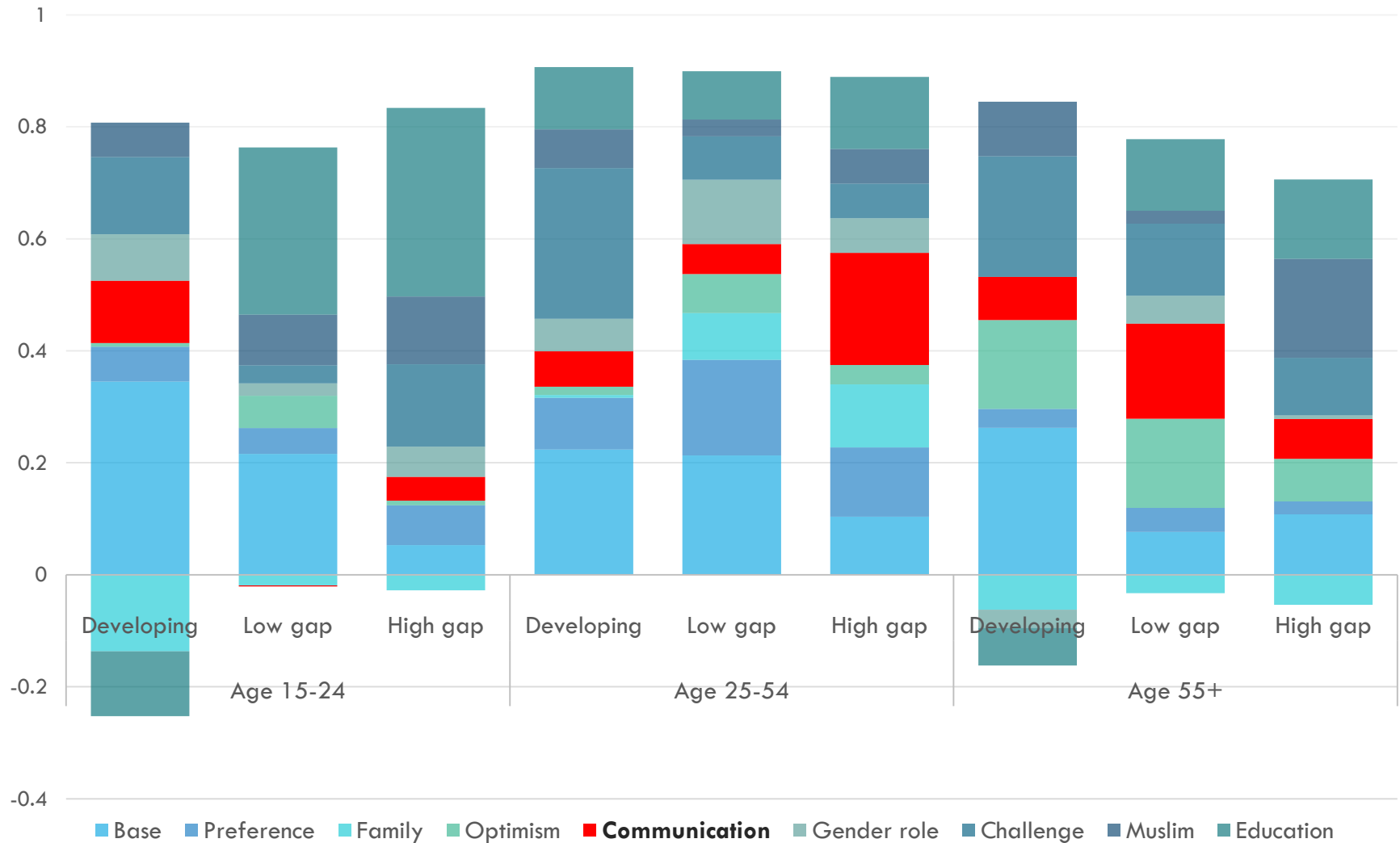
Gender role constraints most largely affects youth in developing, prime-age and 55+ in low gap, and prime-age in high gap.

Challenges matter greatly: Developing (lack of transportation) particularly among youth, Low-gap (acceptability, care), High-gap variation of challenges (transport, acceptability, wf)

Legend: Base | Preference | Family | Optimism | Communication | Gender role | **Challenge** | Muslim | Education
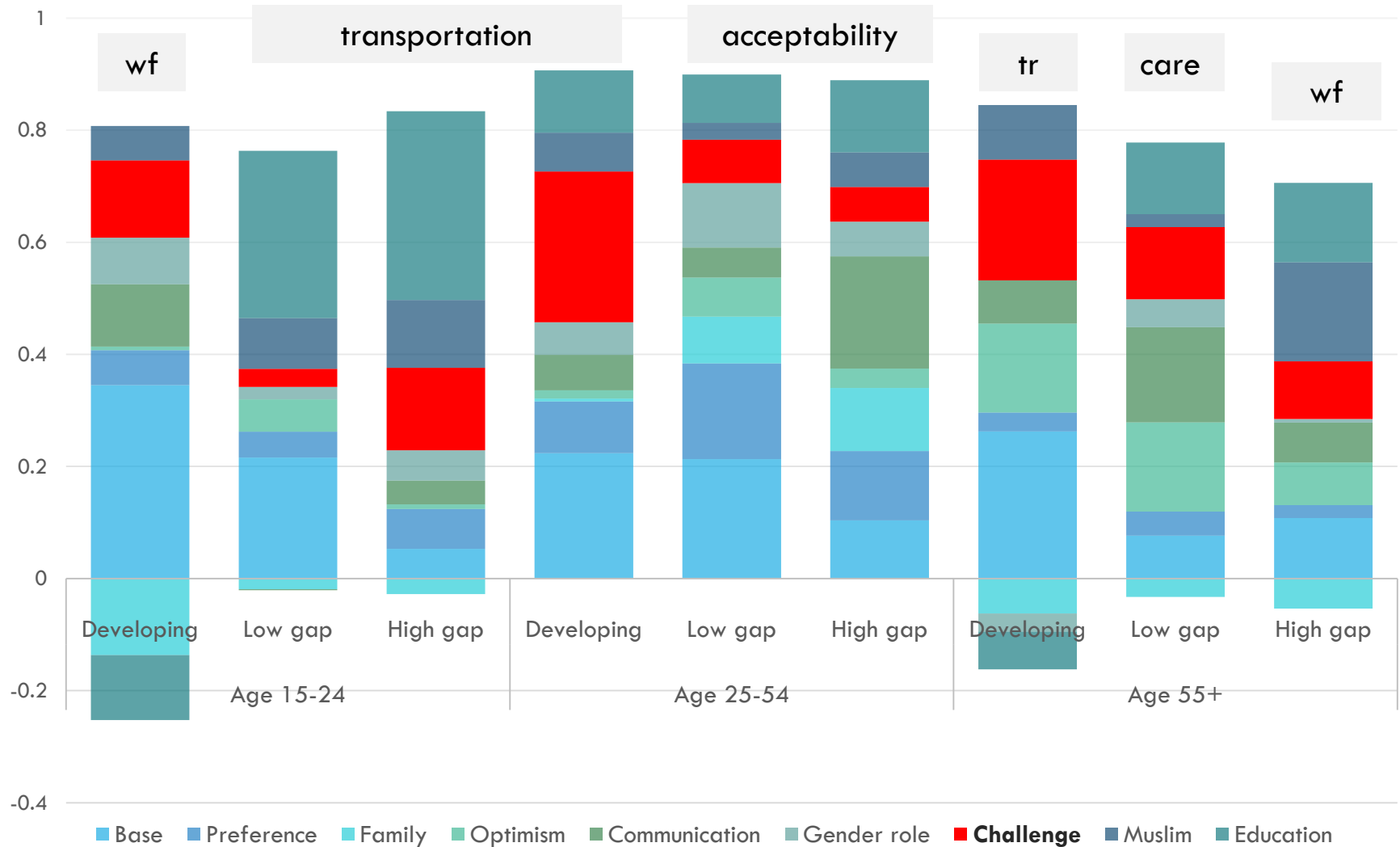
Being non-muslim particularly matters in developing and high-gap regions and youth in low-gap. Largest affect among 55+ group.
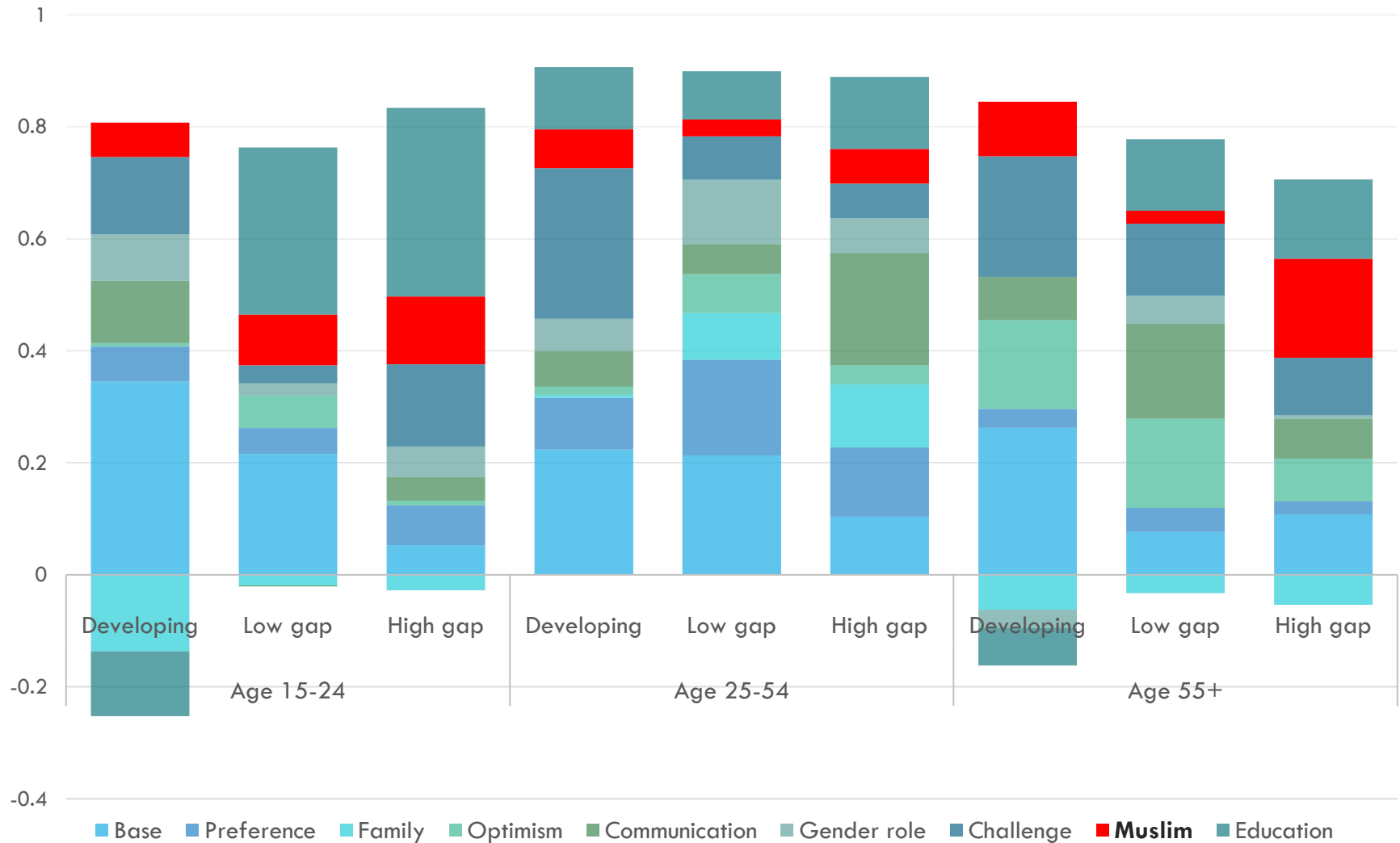
Among youth in low and high gap countries, tertiary education has the largest marginal impact on participation. Except youth in Developing countries, tertiary education decreases likelihood to participate.
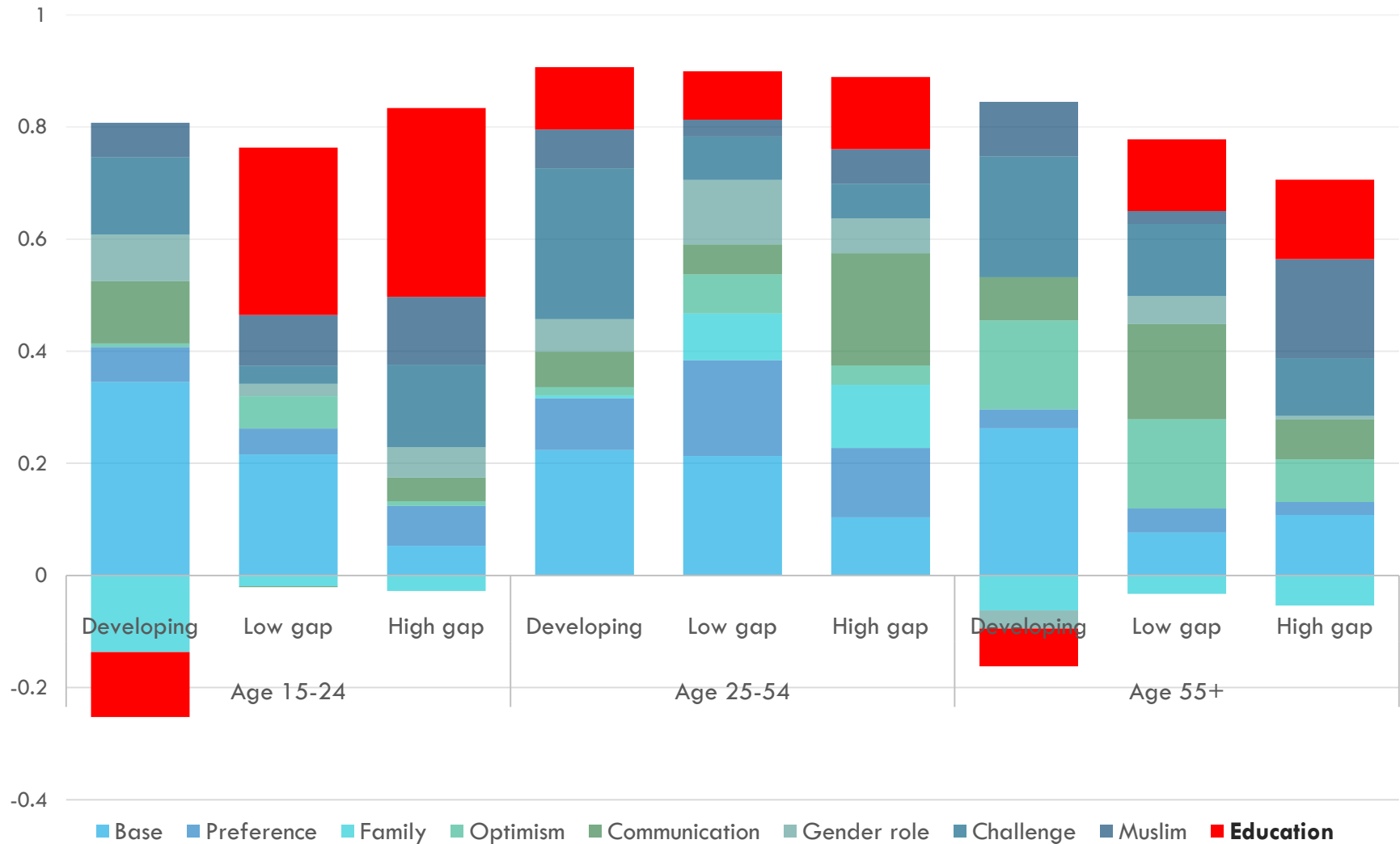
CONCLUSION

- **Preferences matter, but other constraints set by gender roles and socioeconomic conditions have a greater trade-off.** Shown by cumulative effects.

- **Considerable interconnectivity and interdependence among drivers**

- **The challenges women face have a considerable affect on their decision to participate suggesting targeted efforts necessary to address constraints set by gender roles and socio-economic conditions.**

- **Depending on the position of the woman in the life-cycle, the magnitude of effects differ. Also, in regards to the environment she inhabits.**

NEXT ISSUES TO ADDRESS

- **Different country groupings:**
  - Cross-country differences, policy indicators across countries
  - Family-friendly vs Non-family friendly

- **Different groupings of individuals:**
  - Married vs non-married
  - Immigrants vs Natives

- **Part-time**
  - Family income

- **Sectors**