

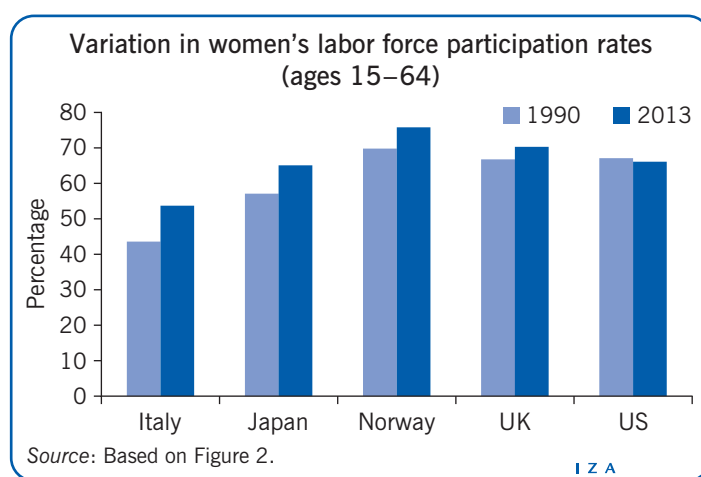
Women's labor force participation

Family-friendly policies increase women's labor force participation, benefiting them, their families, and society at large

Keywords: gender, women, labor force participation, family policies

ELEVATOR PITCH

Female labor force participation is mainly driven by the value of women's market wages versus the value of their non-market time. Labor force participation by women varies considerably across countries. To understand this international variation, one must further consider differences across countries in institutions, non-economic factors such as cultural norms, and public policies. Such differences provide important insights into what actions countries might take to further increase women's participation in the labor market.



KEY FINDINGS

Pros

- ⊕ Women's economic activity outside the home translates into better outcomes for girls and women (improved health, reduced domestic violence for women), and society as a whole (greater economic growth).
- ⊕ Women's labor market activity—not just entry, but also long-term attachment—provides the path for women to participate in the top ranks of academia, industry, government, and the non-profit sector.
- ⊕ Family-friendly policies (e.g. family leave and childcare subsidies) encourage women's labor force participation.

Cons

- ⊖ Rising educational attainment by women does not always translate into increased labor force participation rates.
- ⊖ While family-friendly policies may encourage women's labor force participation, they may also inhibit women's advancement to the highest levels of their professions.
- ⊖ It is difficult to discern if rising educational attainment causes increased labor force participation, or if women's rising labor force participation rates spur them to undertake additional educational investments.

AUTHOR'S MAIN MESSAGE

Women's labor market activity makes women and girls more economically valuable to their families and to society. While women's labor force participation rates have risen in many countries, rates remain quite low in some countries and regions. In some countries, like the US, after a steady rise, rates have plateaued since 1990. Given societal benefits such as greater economic growth, governments have a compelling interest to undertake policies to encourage women's labor force participation. Parental leave and childcare subsidies are two such examples.