

# Encouraging women's labor force participation in transition countries

## Government policies can stimulate female labor force participation if coherent and well thought-out

Keywords: female labor force participation, transition countries, aging, work-life balance, female entrepreneurship

### ELEVATOR PITCH

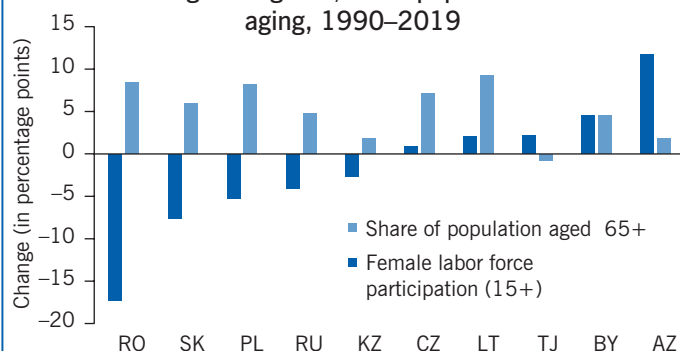
Increasing women's labor force participation is important to sustainable economic development, especially in economies with highly educated women and an aging population. Women's participation varies across transition countries, driven by such economic and social factors as traditional views of gender roles and limited government support for caregivers. Still, in all countries there is clear scope for policies aimed at increasing women's participation. In particular, in countries where women's educational attainment is already high, policies to support a better work-life balance and female entrepreneurship look particularly promising.

### KEY FINDINGS

#### Pros

- ⊕ The female labor force in transition countries is highly educated.
- ⊕ Low fertility rates in most transition countries are making it easier for women to join the labor force.
- ⊕ The development of the care sector can contribute to the increase in female labor force participation.
- ⊕ Increasing female labor force participation has the potential to partially offset the negative economic consequences of aging populations.
- ⊕ Increased female entrepreneurship can lead to higher female labor force participation directly and indirectly and in the short and long term.

In most transition countries, female labor participation has been declining or stagnant, while populations have been aging, 1990–2019



Source: Author's own calculations based on data from World Bank, World Development Indicators database, 2020. Online at: <http://data.worldbank.org/data-catalog/world-development-indicators>

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#### Cons

- ⊖ Female labor force participation in transition countries is still impeded by traditional views on gender roles and occupational segregation by gender.
- ⊖ Limited government support for caregivers is exacerbating the trade-off between having children, assisting the elderly, and working.
- ⊖ Population aging is likely to reduce female labor force participation.
- ⊖ Limited flexibility in the labor market makes it harder for women to work.
- ⊖ Women wishing to become entrepreneurs still face substantially larger obstacles than men.

### AUTHOR'S MAIN MESSAGE

The share of women in the labor force in many transition countries is now lower than it was at the beginning of the transition from central planning to market economies. This problem has a particularly serious repercussion because fertility rates are falling and populations are aging, further shrinking the labor force. The experience of transition countries reveals that policies to expand women's access to higher education are not enough to ensure higher participation. Also needed are a broad set of reforms to help women achieve a better work-life balance and to encourage expansion in working opportunities.