

# How to create decent work for women: Policy lessons for low- and middle-income countries

Ashwini Deshpande, Janneke Pieters, Kunal Sen, and Maria C. Lo Bue

Despite advancements for gender equality in some spheres, labour market outcomes for women continue to be worse than for men. Gender gaps in pay, labour force participation rates, and measures of job quality are stubbornly persistent and continue to hamper women's economic empowerment globally. Economic development and social change should improve women's labour market outcomes, but even with large-scale public policy actions, gender-based inequalities are difficult to address.

A body of recent work published in a special issue of *World Development* provides detailed evidence from several countries in the Global South on women's labour market outcomes and the critical factors that influence them. The findings have implications for policymakers seeking to improve outcomes for women and reduce gender gaps in labour markets.

## **Overcome demand-side constraints, too**

Since the early 1990s, gender gaps in education have narrowed across Global South countries, but these gains have not translated to comparable improvements for women in the labour market. Women continue to be employed at significantly lower rates than men and are often concentrated in lower-paying jobs with more limited job protection.

A large academic literature predominantly emphasizes supply-side explanations for why women are left behind. It predicts that higher educational attainment for women should translate to better labour market outcomes, but this is not often the case. For instance, India's Female Labour Force Participation (FLFP) rate is among the lowest in the world and is on a decline since 2004. Despite creating conducive preconditions for substantial increases to FLFP—such as strong economic growth, rising levels of education, and lower rates of fertility—India has not seen increased FLFP.

## FINDINGS

**Gender-based segregation of jobs, limited opportunities for employment, and entrenched social norms often restrict women to lower-paying employment and perpetuate a cycle of economic disadvantage**

**Social norms regarding women's role in domestic care significantly impact female labour force participation rates and tend to push women into low-paid, self-employed, or informal jobs with greater flexibility but lesser protections**

**Social norms and expectations on women, while influential, are not immutable and public policy can play a vital role in shifting norms to empower women economically and socially**

This suggests that standard packages of policy efforts to improve women's ability to enter the labour market and compete with men for decent jobs, such as provision of equal access to education and skills training, are not wholly sufficient. These efforts focus on individual-level factors that constrain women from engaging in paid work (supply-side constraints), while overlooking factors that influence the extent to which employers and economies offer opportunities to women to do so (demand-side constraints). Policy interventions that ease supply-side constraints, to have their full effect, must be paired with interventions that also improve the demand for women's work.

### Consider norms

Socio-cultural norms about women's roles exert a significant influence on outcomes. Norms around women as the primary caregivers within households often limit their employment prospects and undermine their socio-economic empowerment.

For policymakers, an important question is which norms matter? **Research on India** finds, for example, that neither veiling nor religion substantially influence women's labour force participation. On the other hand, the largest constraint on entry to the labour market is being 'primarily responsible for domestic chores.' Furthermore, a family history of working women increases the probability of being in paid work by 18–21 percentage points, demonstrating that even a single woman with a career can have a large impact on the labour force participation of her relatives and future generations of women.

### Increase social spending

A **macroeconomic analysis of Latin America**, the region that scores best on several indicators of women's work, finds that 'the most significant and robust positive correlate of women's relative access to good jobs' is public social spending as a share of GDP.

Government investments in education, health, and social programmes play a crucial role in supporting women's employment opportunities. On the supply side, social spending on maternal healthcare and educational programs can improve the quality of jobs that women secure. Similarly, investments in early childhood education, long-term care services, and infrastructure projects like sanitation and transportation also alleviate the burden of care responsibilities to facilitate women's participation in the workforce. On the demand side, increased social spending creates more jobs in sectors like health and education that are historically important for female employment.

### Create jobs for women

In many countries, women are overrepresented in self-employment, relative to men. High levels of self-employment among women indicate both a failure in job availability (a demand-side constraint) and a stronger preference for flexibility in working life (a supply-side constraint). Policymakers should prioritize job creation strategies that align with women's needs and consider the unique constraints they face.

Policy efforts that promote the growth of more flexible job arrangements and provide resources for self-employed women, such as access to financing and business development services, can mitigate demand-side failures.

### Address motherhood penalties

Motherhood is a significant barrier to women's labour market participation, with the arrival of the first child often constraining occupational choices for mothers. **In Viet Nam**, a policy action that lengthened the paid maternity leave period increased women's participation in formal employment by pulling women from agricultural household work into private formal employment. Supportive family leave frameworks not only prevent women from exiting the labour market, but they can also increase formal-sector employment.

**Evidence from Latin American countries** indicates additional policy options for promoting the shared responsibility for children at home—including mandated family leave for fathers—which can significantly increase mothers' participation in the labour market and improve the quality of female employment.

## RECOMMENDATIONS

**To pull women into decent paid employment requires a focus on job creation for women', including in traditionally male-dominated sectors**

**This involves policies that increase job security and flexibility in the formal sectorsuch as extended maternity leave which can make formal sector employment more attractive for women**

**To address both demand- and supply-side constraints, there seems an important role for increased public social spending. It contributes to job creation, while also relaxing important supply side constraints related to education, skills, and care responsibilities**

