

## **Examining the Relationship Between the Level of Development of Countries and the Participation of Women in the Labor Market**

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### **Abstract**

Regardless of the development level of the countries, the labor force participation rate plays a critical role in the social and economic development of the countries. For this reason, women's participation in the labor market, which creates half of the world's population, is very important in terms of improving the position of women in society and taking part in business life.

It is evidence of gender inequality that women have less labor force participation than men or more barriers for women in the labor market. However, for the last 20 years, more studies have been carried out on women's participation in the workforce and ensuring gender equality, and projects that increase women's participation in the workforce have been supported. Social and economic development of countries accelerates as women take part in the labor market and work on equal terms with men in the labor market. In this study, it is aimed to examine the difference between men and women in the labor market and female employment in selected countries and regions using ILO, Word Bank and OECD data. It focuses on the difficulties experienced by women in the labor market and the barriers women face when entering the labor market. By emphasizing the importance of women's position in the economy, proposals, conventions, and decisions prepared by international organizations to prevent gender inequality in the labor market for the social and economic development of countries and to prevent all kinds of violence and discrimination against women are examined.

The aim of this study is to draw attention to the positive relationship between women's role in the labor market and economic and social development, and to offer solutions and policy recommendations to prevent gender inequalities in the labor market for the sustainable economic and social development of countries.

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## **1. Introduction**

Women's participation in the workforce plays a critical role in the economic and social development of countries. For this reason, governments are taking steps to support women's participation in employment nowadays. For this reason, women's participation in employment is increasing day by day and is becoming a quality. The increase in the importance of women's participation in employment and the fact that women, who make up approximately half of the world's population, take part in business life on equal terms with men, increase the rate of participation in the labor market and improve their position in the society both provide economic development by increasing the income of the households and positively affect the social development of the countries. Women ensure their economic freedom by participating in the labor market. Therefore, their self-confidence and prestige in society increase. According to the research, women's participation in employment increases the health and education expenditures for children and contributes to raising healthier and more educated generations.

According to ILO data, while the average female labor force participation rate in the world was 48% in 2018, the male labor force participation rate was 75% (International Labor Organization, 2018). While the labor force participation of women tends to increase in the European Regions, Latin America, and OECD countries in the last 20 years; Female labor force participation tends to decline in Sub-Saharan Africa, North America, the Middle East, North Africa, and South Asia. According to the study, there are significant differences in women's labor market participation among countries at different stages of development. Gender inequality in the labor market narrows as the development level of countries increases.

When we focus on the causes of gender inequality in the labor market, it is seen that the biggest reason is that domestic care is the responsibility of women. In addition, lack of education, having many children and the state's failure to provide adequate opportunities for childcare services, receiving less wages for equal work, violence, harassment, and mobbing are also reasons that prevent women from entering the labor market and/or create gender inequality in the labor market.

In the world, women's labor participation is often related to the level of development of countries. Nevertheless, this does not mean that women's decision to participate in the labor market must not be favored through public policies to overcome the barriers they face (Duflo, 2012). Governments can support childcare, work-life balance, gender roles, gender equality. Because, equality

among people begins with their equality before the law (Rodríguez Caballero, C. V., & López, A., 2021).

The economic literature remarks to the positive role that women's participation in the labor market plays in the economic and social development of nations/societies. It is not possible to mention about sustainable growth at both national and global levels without ensuring gender equality in the labor market. For this reason, international organizations and non-governmental organizations have serious efforts to increase women's participation in the labor market.

## **2. Literature Review**

In the economic literature, special attention is given to the positive role that women's participation in the labor market plays in the economic and social development of countries, and there are many studies on this subject. Both in the research of international organizations and in academic studies, the importance of gender gaps as an obstacle to development has been emphasized. Sustainable economic and social growth at the national and global level only depends on women, who create half of the world's population, taking part in the labor market and using their potential in a quality manner.

Like this study, Klasen (1999) used data including observations for 109 countries and the years 1960-1992 and concluded that gender inequalities negatively affect a country's growth performance. Tsani (2013) examined the relationship between women's labor force participation and economic growth for Southern Mediterranean countries and simulated the effects of removing barriers to women's labor force participation in the study. It is concluded that this simulation can have a significant positive effect on economic growth. Luci (2009) argued that the increase in women's employment has a positive effect on economic and social development. Verick (2014) emphasized in his study that women's labor force participation is a driving force and result of growth and development. Mammen and Paxson (2000) examined the relationship between women's participation in employment and economic development according to the level of development of the countries, and as a result drew attention to the fact that women's labor force participation increased with development. The World Bank (2011) emphasized in its 2012 World Development Report that the prevention of gender inequalities in access to economic opportunities, earnings and productivity is at the center of social and economic development. In their study, Heath and Jayachandran (2016) argue that the gains in women's education are positively related to women's labor force participation and increase development. In addition, the study focused on the positive effects of increased education and employment on the lives of women and their children.

Unlike this study, Gaddis and Klasen (2014) argue that there is no convincing empirical evidence of a systematic U-shaped relationship between GDP per capita and female labor force participation. Balamoune-lutz (2007) examined the relationship between female labor force participation rate and economic development for Sub-Saharan African countries and Arab countries. As a result of

the study, it was emphasized that there is no positive relationship between female labor force participation rate and economic growth in these countries.

### **3. Methodology**

The aim of the study is to develop solutions and policy recommendations to prevent gender inequality in the labor market for the sustainable social and economic development of countries by emphasizing the positive relationship between women's participation in the labor market and economic and social development.

This study includes both quantitative and qualitative data. The data is explained together with its scope and supported by statistical data and developments are evaluated. The relationship between the development levels of countries and the gender gaps in the labor market has been examined, and according to the World Bank and ILO data sets, as the Human Development Index and GDP of the countries increase, the gender gaps in labor force participation decrease.

Biological sex refers to the human reproductive system anatomy and secondary sex characteristics. Gender, on the other hand, refers to the individual's social roles, responsibilities in relation to his biological sex, or the individual's definition of his or her own gender depending on his inner awareness (Wikipedia, 2020). Gender, on the other hand, imposes different duties on women and men in societies, and sees domestic care services as the duty of women. This situation prevents women from taking part in the labor market or prevents them from being in the labor market on equal terms with men. For this reason, it negatively affects the sustainable economic and social development of societies (Özaydınlık, 2014). Nowadays, much more women are in the labor market and the awareness of the importance of gender equality in the social, cultural, and economic development of countries is increasing, but still, when the world average is considered, the unemployment rate of women is much higher than that of men (International Labor Organization, 2018). The social state aims to ensure all kinds of equality in the society. Western countries can be taken as an example in terms of social state policies. In these countries, the welfare state implements social assistance programs, especially in cases of unemployment, retirement, illness, disability, death, or other poverty. Studies that include feminists, on the other hand, argue that services such as childcare and household assistance should be included in the concept of social state to alleviate the burden placed on women's shoulders (Dedeoğlu, 2009).

In cases where the state is insufficient in terms of social assistance and security, family and kinship ties support closing the gap. Due to her position in the society, women undertake responsibilities for childcare, elderly care, and domestic services. This situation prevents the active and continuous quality employment of women (Dedeoğlu, 2009).

Even though women are involved in business, they are underrepresented in management and leadership positions. Even if women are at the same level of education as men in the labor market, they are employed for lower wages, and on top of that, they are more exposed to violence, harassment, and mobbing (Beghini, Cattaneo and Pozzan 2019).

In recent years, more and more people are more educated and more involved in the labor market, and there is much more awareness about the provision of women's employment. However, the fact that women are still not on equal terms with men in the labor market and there are norms that impoverish women both economically and socially affect many areas of society negatively. Gender inequality negatively affects many areas such as health, education, and economy. Although unemployment is an economic problem, it also negatively affects psychological problems, feeling socially inadequate, loss of qualifications and family life. Insufficient participation of women in the labor market increases these problems and creates an obstacle for the welfare to reach a sufficient level.

According to ILO 2019 data, the labor force participation rate of women in the world average is 48%, while the labor force participation rate of men is 75%. According to these data, three-fifths of people participating in the workforce worldwide are men (International Labor Organization, World Employment Social Outlook Trends 2019 2019). Although women still do not take place in the labor market at the same rate as men and women's unemployment is universal, they differ depending on the cultural and social characteristics and development levels of countries and regions.

When the labor force participation rates of women in various countries are examined, it is seen that there are differences. According to the World Bank data, while the female labor force participation rate is 47% at the global level, the female labor force participation rate in the socially developed Scandinavian countries is more than 60%. While female labor force participation exceeds 60% in the East Asia and Pacific Region, this rate is 57.8% in the North America Region. In North Africa and the Middle East, female labor force participation is 20.1%, while in South Asia this rate is 21%. The regions with the lowest labor force participation among women are North Africa, the Middle East and South Asia. In developed countries, income security and social assistance supports are provided by the public in cases of poverty. In addition to these, public support of services such as health, education and childcare that affect women's lives increases women's participation in the workforce in these regions and positively affects social economic development.

In developed countries, where social security and assistance are not supported by the public, the role of women in the home becomes heavier. Domestic responsibilities such as taking care of children and the elderly and maintaining kinship relations are seen as women's duties, and this negatively affects women's participation in the workforce when the social state is insufficient.

According to the data of the ILO (International Labor Organization), the gender gap in labor force participation is around 15% on average in low-income and high-income countries, while it is 40% on average in middle-income countries. The reason for the higher gender inequality in the labor market in middle-income countries is since women between the ages of 15-24 in these countries are in education. It is a fact that women's participation in the labor force will increase the income of the household, accelerate the social and economic development of societies, and increase the income level of the country. However, the reason why women's employment is high in low-income countries is due to the necessity of economic activity by all members of the household due to the strength of the poverty level. The reason for the gender gap in the labor force participation rate in developed countries is low because girls and boys have equal educational opportunities and equal educational success (International Labor Organization, 2020).

Unfortunately, men and women are still not on equal terms in entering the labor market and between sectors in the labor market. The burden of housework and care services on women's shoulders, the inadequacy of the services provided by the state for childcare, gender discrimination in the society and the lack of advancement of girls in the fields of science, technology, engineering, and mathematics also feed this gender inequality (OECD, 2017). However, a sustainable economic growth is not possible unless women participate in the labor market, and in developed countries, due to this awareness, women are faced with less restrictive norms in the labor market. Unless women's difficulties in labor force participation due to their gender are prevented and the awareness of individuals in society is increased, sustainable development of countries will not be possible.

For women, the process of childbirth and motherhood reduces labor force participation. In addition, as the number of children increases, the rate of women taking an active role in the economy decreases. In general, the most important factor behind the fact that women have less intensive and shorter careers than men are the burden of childcare responsibility on mothers. According to a McKinsey survey in Latin America, 52% of women say that seeking more time with their families is the main reason they voluntarily quit their jobs in their mid-career or even higher levels (International Labor Organization, 2016).

When the sectoral distribution of women is examined, while the female workforce was working intensively in the agricultural sector at first, employment shifted to the industrial sector with the industrial revolution and to the service sector with the economic growth. The employment of women in the agricultural sector has been declining in recent years, but still, in low-income countries, the sector in which women work most intensively is agriculture. In middle-income countries, women play a greater role in the trade sector, while in high-income countries women work more intensively in the health and education sector. (International Labor Organization, Women at Work 2016). In high-income countries, the female labor

force participation rate is close to the male labor force participation rate. In developed countries, where women are in a high-quality position in the economy, both as a sector and as a labor force participation rate, women's employment is positively affected by the impact of public policies. Public policies play an important role in ensuring work-life balance in developed countries, providing quality and accessible childcare services, and active flexible hour practices for employees. At the same time, these social policies are also lessons and suggestions for developing and underdeveloped countries. It is estimated that the labor force participation rate of young mothers will increase by 6.5-10% if childcare costs decrease by 50% (International Labor Organization, 2016).

There are many reasons why women's labor force participation rate in the labor market is lower than that of men. Attitudes towards women's employment in society, marital status of women, education level of spouse, migration from rural areas to cities, gender-based wage inequality in the labor market, number of children in the family and age range of children, education level of women, inadequacy of legal regulations to increase women's employment, women's employment the barriers faced during the labor market are among the socio-economic, socio-cultural and demographic factors that determine women's participation in the labor market.

Elimination of gender inequality is a must for the sustainable social and economic development of societies and ensuring gender equality is on the agenda of every country, regardless of the level of development of the countries. The prioritization for solving the problems of unemployment, women's unemployment and gender inequality may vary according to the development levels of the countries.

The average female labor force participation rate in developed countries such as Norway, Finland, Denmark, Canada, and the United Kingdom is 66% (World Bank, 2020). In developed countries, female labor force participation rate approaches male labor force participation rate. The reason for this is the social policies of the state on family and childcare in developed countries and the equal educational achievements of women and men. In developing countries such as Latvia, South Africa, Bulgaria, Thailand, and Turkey, women's labor force participation rate is 49% on average (World Bank, 2020). Compared to developed countries, female labor force participation rate is much lower. One of the reasons why women have a lower rate of participation in the labor market in developing countries is also a reflection of the fact that young women in these countries continue their education with official registration. The factor of continuing education delays entry into the labor market. In underdeveloped countries such as Bangladesh, Sudan, Cambodia, Uganda, and Mozambique, the average female labor force participation rate is 57% (World Bank, 2020). In many underdeveloped countries, female labor force participation rate is very high. Even in some underdeveloped countries, the female labor force participation rate may be higher than the male labor force participation rate. However, the high rate of women's participation in the labor force in underdeveloped countries is unfortunately not since social norms are very developed, but to the fact that women have to play an

active role in the economy due to extreme poverty. In underdeveloped countries, where women are heavily involved in economic activities, the female workforce is generally unregistered and therefore lacks employment contracts, employee rights and occupational health regulations (International Labor Organization, World Employment Social Outlook Trends for Women 2018).

If the female workforce does not participate in production, it becomes one of the most inefficiently used production inputs in the world, and in this case, it creates a barrier to the development of the society. Public support for childcare, social care and health services increases women's participation in the workforce and creates jobs in many sectors, promoting economic growth, reducing intergenerational poverty, and contributing to the redistribution of unpaid care work.

The gender gap between men and women in the labor market constitutes an obstacle to efforts to ensure a fairer and more inclusive labor market. There are many solution proposals and studies carried out by international organizations to prevent this gender inequality in the labor market. Providing quality and accessible early childhood education and child care services, public support of rules that will ensure work-family balance, providing maternity protection to all women according to international labor standards, encouraging family-friendly flexible working arrangements and developing reintegration measures, promoting women's entrepreneurship reducing unpaid care work, expanding vocational and sectoral trainings are some of the solutions that will increase women's participation in the workforce. In addition, one of the policies that will be most effective in ensuring gender inequality is the equal redistribution of family responsibilities between men and women. Undoubtedly, governments have a great role to play.

Donnelly et al. (2016) analyzed 12th graders in the Future Monitoring Survey (1976–2013) and the General Social Survey of Adults (1977–2012) in the US sample representing time span and generational differences in attitudes towards women's labor force participation and family roles. In two nationally representative cases, attitudes towards women's roles are becoming increasingly egalitarian, and therefore, in recent years, most US adults and high school students now accept the idea that women will work even if they have young children (Donnelly et al., 2016). America and Sweden can be considered as exemplary countries regarding the policies followed by women in their participation in the workforce. In the 19th century, in some states in America, women were given the right to own property and the right to keep their own earnings. After that, women in these regions started to get more patents, women's entrepreneurship and women's employment increased. Economic growth was also positively affected by this process. These legislative changes have also increased investment in girls' education and expanded women's right to vote. In Sweden, where social welfare is very high, childcare is burdened equally on father and mother.

In addition, a series of policies are followed by the United Nations, International Labor Organization, Council of Europe, and Non-Governmental Organizations to strengthen the position of women in the society and the labor market.

#### 4. Findings

The labor force or currently active population includes all persons who fulfill the conditions for being among the employed or the unemployed (OECD, 2019). According to TUIK data, the labor force participation rate is defined as the ratio of the labor force in the population aged 15 and over. Labor force participation enables households worldwide to access the main source of income and reinforces the basic principles of equality, democracy, sustainability, and social cohesion in society.

**Table 1: Female Labor Force Participation Rates in Various Countries**

Ülke	%	Yıl	Ülke	%	Yıl
USA	57,4	2019	Italy	41,1	2018
Germany	55,9	2018	Iceland	77,9	2018
Albania	49,8	2017	Japan	53,3	2019
Argentina	49,5	2018	Cambodia	75,9	2016
Australia	61	2019	Canada	61,4	2019
Austria	55,9	2018	Qatar	57,9	2018
Belgium	49,5	2018	Colombia	57	2018
Brazil	53,9	2019	Korea	53,3	2018
Bulgaria	49,2	2018	Latvia	55,8	2018
Czech Republic	52,8	2018	Luxembourg	55,8	2018
Chinese	63,7	2010	Hungary	47,6	2018
Denmark	58,4	2018	Mexico	44,7	2019
Estonia	57,4	2018	Niger	15,1	2017
Finland	55,9	2018	Norway	61,8	2018
France	51,6	2018	Poland	48,5	2018
South Africa	48,5	2019	Portugal	54,5	2018
India	20,8	2018	Romania	45,6	2018
Holland	59,1	2018	Russia	55,9	2018
England	58	2018	Slovakia	52,3	2018
Ireland	56	2018	Slovenia	53,8	2018
Spain	52,4	2018	Chile	49,2	2018
Israel	59,8	2018	Turkey	34,1	2018
Sweden	70,8	2018	New Zeland	65,6	2018
Switzerland	62,9	2018	Greece	44,3	2018

Source: The World Bank Labor Force Participation Rate Data

The female labor force participation rate is much lower than the male labor force participation rate in the world average. This gap varies according to the development level of the countries and the priority of women's employment policies. As the development levels and income levels of the countries increase, the participation of women in the labor force increases. However, female labor force participation rate is high in underdeveloped and low-income countries. The reason for this is the necessity of individuals in the household to engage in economic activity due to high poverty.

Table 1 shows the labor force participation rates of women in various countries according to World Bank data. Labor force participation varies considerably between countries. The labor force participation rate of women in socially developed Scandinavian countries exceeds 60% on average. On the other hand, female labor force participation is high in underdeveloped societies such as China and Cambodia. This situation highlights the impact of social values on women's participation in the workforce.

**Table 2: Labor Force Participation Trends by Gender and Income Groups of Countries, 1994,2019,2021 (Percent)**

Table 2: Labor Force Participation Trends by Gender and Income Groups of Countries, 1994,2019,2021 (Percent)										
Country Groups by Income	Total			Female			Male			Gender Gap
	1994	2019	2021	1994	2019	2021	1994	2019	2021	2019
<b>World Average</b>	65,4	60,7	60,3	51,2	47,2	46,8	79,6	74,2	73,8	27
<b>Low Income</b>	74	70,6	70,5	65,6	63,2	63	82,9	78,4	78,3	15,2
<b>Lower-Middle Income</b>	60,3	55,2	55,1	38,5	34,1	34	81,6	75,8	75,6	41,7
<b>Upper-Middle Income</b>	71	64,2	63,4	60,3	54	53,1	81,6	74,5	73,8	20,5
<b>High Income</b>	60,3	60,7	60,3	49,4	53,2	52,9	71,8	68,4	67,9	15,2

SOURCE: ILO, World Employment and Social Outlook: Trends 2020 (Geneva: ILO, 2020)

According to Table 2, the labor force participation rate for women is lower than for men in all income groups of the country. This is because, although women are not considered in employment, they are more likely to engage in unpaid activities that make a significant contribution to the well-being of society and the economy. The gender gap is highest in lower-middle-income country groups, and the lowest in low-income and high-income country groups.

**Table 3: Informality and Employment Data by Gender and Income Groups of Countries**

Country Groups by Income	Gender	Informal Labor (%) 2016	Paid and Salary Employees		Employers		Self Employed		Contributors to the Family Business	
			Rate (%) 2019	Change (%) 1994-2019	Rate (%) 2019	Change (%) 1994-2019	Rate (%) 2019	Change (%) 1994-2019	Rate (%) 2019	Change (%) 1994-2019
World Average	Toplam	61,2	52,8	8,6	2,6	0	33,7	-0,7	10,9	-7,9
	Female	58,1	53,2	11,3	1,4	0,1	27,5	1,1	17,9	-12,5
	Male	63	52,5	6,9	3,4	-0,2	37,6	-2	6,5	-4,8
Low Income	Toplam	89,8	17,9	4,1	1,8	0,3	51,2	-1,7	29,1	-2,8
	Female	92,1	11,2	3,4	0,9	0,4	45,2	-0,2	42,7	-3,6
	Male	87,5	23,6	4,7	2,5	0,3	56,3	-2,8	17,6	-2,2
Lower-Middle Income	Toplam	83,7	36	10,5	2,8	0,4	48,7	-2	12,5	-8,8
	Female	84,5	33,6	12,6	1,2	0,1	41,1	0,6	24,1	-13,3
	Male	83,4	37	9,5	3,4	0,4	52	-3,4	7,5	-6,5
Upper-Middle Income	Toplam	52,6	59,4	15,1	2,3	0,2	28,3	-3,1	10	-12,2
	Female	50,4	58,1	19	1,3	0,4	24,8	0,2	15,8	-19,6
	Male	54	60,3	12,2	3,1	-0,1	30,8	-5,5	5,8	-6,6
High Income	Toplam	18,3	87,7	4,5	3,4	-1,2	8	-1,5	0,9	-1,8
	Female	17,6	90,2	4,8	2,1	-0,5	6,3	-0,8	1,4	-3,5
	Male	18,9	85,8	4,1	4,5	-1,5	9,3	-1,8	0,4	-0,7

SOURCE: ILO, *World Employment and Social Outlook: Trends 2020* (Geneva: ILO, 2020), 35

Table 3 shows that; worldwide, 61% of workers are in informal employment. Globally, this rate is 58.1% for women and 63% for men. In low-income and lower-middle-income countries, this rate is higher for women, in contrast to the global average. On average, the prevalence of self-employed and contributing to the family business declines with increasing national income. The prevalence of self-employment and contributing to the family business is decreasing with increasing national income. 90.2% of women in high-income countries are in wage and salaried employment.

According to Table 4, while female labor force participation in the world average was 51% in 1999, it decreased by 4 percentage points to 47% in 2019. Since 1999, female labor force participation has increased in European Regions, Latin America, and OECD countries. Decreased fertility and improved education and health factors play a large role in this situation. Female labor force participation has decreased in Sub-Saharan Africa, North America, the Middle East, North Africa, and South Asia. The decline in participation rate in South Asia is greater than in other countries.

**Table 4: Female Labor Force Participation Rate in Different Regions**

Country	Rate (%) 2019	Rate (%) 1999
World	47	51
Arabic Countries	21	20
Central Europe and the Baltic States	49	50
East Asia and the Pacific	59	65
European Region	51	45
European Region and Central Asia	51	48
European Union	51	47
Latin America and the Caribbean	52	47
Middle East and North Africa	20	18
North Africa	57	59
OECD Countries	52	49
South Asia	23	30
Sub-Saharan Africa	61	63

SOURCE: World Bank, Labor Force Participation Rate of Female Population Over 15

Years Old (2020)

**Table 5: Effects of Reducing Gender Inequalities in the Labor Market by 2025**

Country/ Region	Labor		Employment		GDP
	Million	Percent	Million	Percent	Percent
World	203,9	5,4	188,6	5,3	3,9
Developing Countries	7,8	2,1	7,1	2	2
Developing Countries	175,5	6,3	162,4	6,2	4,8
Developed Countries	20,6	3,3	19	3,3	2,6
North Africa	11,4	13	9,1	11,8	9,5
Sub-Saharan Africa	11,1	2,2	10,1	2,1	2,2
Latin America and the Caribbean	17,4	5	15,8	4,9	4
North America	4,8	2,5	4,5	2,5	2
Arab States	7,8	11,8	6	10,2	7,1
East Asia	27,3	3	26,2	3	2,5
Southeast Asia and the Pacific	15,9	4,1	15	4	3,5
South Asia	92,7	11,1	87,7	11	9,2
Northern, Southern and Western Europe	5,7	2,6	5,1	2,6	2
Eastern Europe	4,5	3,3	4,2	3,3	2,6
Central and Western Asia	5,3	6,6	4,8	6,5	5,7

SOURCE: ILO, World Employment and Social Outlook: Trends For Women 2017

According to Table 5, the G20 target aims to reduce the gap in participation rates between men and women by 25% by 2025. Applying this target to all countries

rather than just G20 countries reveals that reducing gender gaps in the labor market could increase the global workforce by 204 million (5.4% increase) by 2025. Holding unemployment rates and male participation rates constant, this work would increase global employment by 189 million (or 5.3%), which would increase global GDP by 3.9%, or US\$5.8 trillion. In terms of the expected percentage increase in employment, the impact in developing and developed countries is relatively small.

**Table 6: The Relationship Between Countries' HDI and GDP per Capita and Gender Inequality in the Labor Market**

Country/ Region	Human Development Index	GDP (Per Capita)	Employment (%) (2019)		
	2018 Data	Million (USD) (2019)	Female	Male	Gender Gap
Norway	0.954	75,419.6	60	66,1	6,1
Switzerland	0.946	81,993.7	63	73,6	10,6
Ireland	0.942	78,661.0	56	68,7	12,7
Germany	0.939	46,258.9	55	67,4	12,4
Hong Kong	0.939	48,755.8	54	68,6	14,6
Australia	0.938	54,907.1	60	71,1	11,1
Iceland	0.938	66,944.8	71	84,9	13,9
Sweden	0.937	51,610.1	61	75,6	14,6
Singapore	0.935	65,233.3	62	75,7	13,7
Holland	0.933	52,447.8	58	69,9	11,9
Denmark	0.930	59,822.1	58	66,9	8,9
Finland	0.925	48,685.9	56	63,2	7,2
Canada	0.922	46,194.7	61	70,1	9,1
New Zealand	0.921	42,084.4	65	75,1	10,1
United Kingdom	0.920	42,300.3	58	68,2	10,2
USA	0.920	65,118.4	56	69,2	13,2
Estonia	0.882	23,659.9	57	70,6	13,6
Greece	0.872	19,582.5	44	60,1	16,1
United Arab Emirates	0.866	43,103.3	52	93,1	41,1
Saudi Arabia	0.857	23,139.8	22	78,7	56,7
Hungary	0.845	16,475.7	48	66,4	18,4
Bahrain	0.838	23,504.0	45	86,9	41,9
Croatia	0.837	14,853.2	45	57,6	12,6
Romania	0.816	12,919.5	45	65,4	20,4
Turkey	0.806	9,042.5	34	72	38
Malaysia	0.804	11,414.8	51	80,4	29,4

**SOURCE:** World Bank, The Labor Force Participation Rate of the Population Over 15 (2020) and Wikipedia, Developed Countries (2020) were used.

The table includes countries' HDI (Human Development Index), per capita gross domestic product and gender gap in labor force participation rate. It is noteworthy that the gender gap in the labor force participation rates of the countries with the highest human development index is low. In Norway, which has the highest HDI, the gender gap in the labor market is 6.1% points and its per capita GDP is 75.4 million Dollars. As the HDI decreases, the GDP per capita of countries also decreases and the gender gap in labor force participation increases. The country with the highest gender gap in labor market participation is Saudi Arabia with a score of 56.7%. When the table is examined, it is observed that the HDI and GDP per capita increase in direct proportion to each other, while the gender gap in the labor market in these countries decreases.

When we analyze the country examples in Table 6 in 3 parts according to the per capita national income ranking, the gender gap in participation in the labor market of the first 9 countries according to the per capita national income ranking is 11.3% on average. The gender gap in participation in the labor market of the second 9 countries in terms of per capita income is 14.2% on average. The gender gap in participation in the labor market of the last 9 countries in terms of per capita income is 27.5% on average. According to the table, while the HDI and GDP per capita increase in direct proportion to each other, the gender gap in the labor market in these countries is decreasing.

## 5. Conclusions

The study focuses on the positive relationship between women's participation in the labor market and economic and social development. Women participating in the labor market positively affect the economy by increasing both the income in the household and the employment rate in the country. The self-confidence of women who join the workforce increases, their position in society improves, and it also positively affects social development by contributing to the raising of more educated and healthy generations.

In recent years, while seeking a solution to the problem of female unemployment around the world, the Covid-19 epidemic that took place in China in December 2019 has made the solution of this problem even more difficult. In 2020, strict measures were taken around the world to prevent the rapidly spreading Covid-19 epidemic. As a result of these strict measures taken, there was a decrease in investments, while production slowed down in some sectors and came to a standstill in some sectors. While all these experiences caused a contraction in demand in the labor market, they also negatively affected women's participation in the labor force and their employment. In 2020, when the epidemic was effective, the female unemployment rate worldwide increased by 0.9 points compared to the previous year and reached 6.4% (Tatar, 2022).

Women take much of responsibilities family work than men in modern society, preventing them from matching male success in the labor market. Limiting working hours can be a reasonable way to level the playing field by creating the possibility of less gendered roles for both sexes (Iversen, McCall Rosenbluth & Skorge 2020).

The gender gap in labor force participation is greatest in middle-income countries. The gender gap in the labor market in high-income and low-income country groups is lower than that in the middle-income group. In Scandinavian countries, which we consider as developed countries, the labor force participation rate of women is more than 60%. The fact that this rate is high in developed countries is closely related to the fact that women and men have almost equal educational achievements. In developed countries, women face less restrictive social norms regarding paid work because public policies support family support policies aimed at improving work-life balance, paid leave, and equivalent return to work, and affordable childcare services for working parents.

On the other hand, female labor force participation rate in the Middle East and North Africa Region and South Asia is around 20%, which is much lower than the female labor force participation rate in Scandinavian countries, which we define as developed. At the heart of this trend is the concern that women in these countries are more limited in their paid job search options due to restrictive gender and cultural norms.

According to the World Bank data, as the Human Development Index and the GDP per Capita increase, the gender gap in the labor market decreases. As women take an active part in the economy, household income will increase, health and education expenditures for new generations will increase, and therefore both economic and social development will be positively affected by women's participation in the workforce. Sustainable economic growth at the regional and global level depends on the full use of women's qualifications and talents and their labor force participation rate. With the reduction of gender inequalities in the economic dimension between women and men and the increase in women's participation in the workforce, the effective use of the female population improves and increases economic growth, per capita income, social welfare, business performance and innovation. The provision of publicly funded childcare, other social care and health services not only increases women's access to employment, but also contributes to job creation in the service sector, replacing some of the unpaid domestic and care work mostly done by women. This social investment (ie childcare, disability and aged care programs) will create a cycle of redistribution and reduction of unpaid care work as well as creating paid jobs that can support economic growth.

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