

Analyzing Female Labor Force Participation in Afghanistan: Panel Data Approach

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Abstract

In Afghanistan, the rate of female labor force participation (FLFP) is the smallest compared to the other countries all over the world. At present, the rate of FLFP in Afghanistan is around 16% which is the lowest FLFP in the world. In 2015, the UN gender inequality index estimated that only 5% of Afghan businesses are female-owned. The basic aim of this research was to analyze FLFP in Afghanistan. In this research, the qualitative research design was used. Secondary data was gathered from different official sources such as the Central and Statistics Organization of Afghanistan, World Bank, Ministry of Labor, and Ministry of Women's Affairs. This research was employing a panel data approach that consists of both time-series data from 2018 to 2020 and cross-sectional data from 20 provinces in Afghanistan. In a panel data method, we have employed the fixed-effects econometric model in order to analytically determine the effect of minimum wage, female education, female age, mother age, household size, number of employed males, and female labor skills on FLFP. The result of the study indicated that the coefficient values of minimum wage, female education, and the number of employed males have positive and significant effects on FLFP. Furthermore, the coefficient values of mother age, household size, and female labor skills have a negative significant effect on FLFP.

Keywords: Female labor force, household size, education, minimum wage, labor market, panel data, Afghanistan.

JEL Codes: J20, J21