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STRUCTURAL CHANGE, DISCRIMINATION AND FEMALE LABOR FORCE PARTICIPATION

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Abstract

Economic development of industrialized economies is characterized by structural transition towards service economy and rising female employment, especially in the service sector. This paper highlights how macroeconomic mechanisms explain increasing female labor supply. While structural change generates rising participation of women in the labor market, statistical discrimination in female wages has the opposite effect. A multisector model of growth is constructed, which includes two economic sectors and a home production technology. Qualitative results of the model emphasize different sectoral productivity growth as driving force of female labor supply. Additionally, statistical discrimination of women in the labor market explains why the classical role allocation of men and women in household activities persists.

Key words: Female Labor Supply, Structural Change, Home Production, Statistical Discrimination

JEL Classification: D13, E24, H31, J22, O11, O41

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