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Female Labour Participation, Economic Growth and Pay Inequality: Empirical Evidence for Some OECD Countries

Gülten Dursun¹

¹Kocaeli University, Turkey

ABSTRACT

This study examines empirically the relationship between women's labour force participation, economic growth and pay inequality in the 16 OECD member countries with available data for the 2000-2012 period by using macro panel approach. The study applies unit root test under cross sectional dependence, panel cointegration and the Pooled Mean Group Estimation (PMGE). The study finds a long-run co-integrating relationship between growth, women's labour force participation and pay inequality for the OECD countries. The results show that women's labour force participation reduce pay inequality in the OECD countries. The study also suggests that economic growth raises differences between men and women's pay inequality in the labour market.

KEYWORDS Women's employment; gender wage gap; growth; panel co-integration; PMGE

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