

ABSTRACT

This study examines the effect of global value chain (GVC) trade on the intensity of female labour force participation. To analyse the relationship, the study employs the intensity of different directions of GVC trade, namely, GVC related trade, GVC pure forward, pure backward and two-way related trade. The study conducts a cross-country analysis of the industry-level effect of GVC on female employment in 70 developed and developing economies for the period of 2000 to 2015, using data obtained from the WITS UNCTAD EORA database. Given the longitudinal nature of the sample, we employ the panel fixed effects estimation technique. We find GVC trade is positively related to female employment. However, we find that the share of pure forward GVC trade has a negative effect on female employment, suggesting that the impact of GVCs on female employment depends on the direction of GVC participation. These findings suggest the need for policies to encourage GVC trade participation along with supplementary policies to ensure better working conditions and improved investment in women's human capital for women to reap the benefits of GVC trade.

Keywords: Female labour force participation; female employment; global value chain trade; industrial level data; developed and developing countries

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