Measuring labour force participation in Global Value Chains by gender

Topic: Gender Issues in Input-Output Analysis: New Challenges and New Perspectives - I
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Improving womenâ€™s economic empowerment requires policy action across a wide range of areas, including gender inequalities in participation and decision-making roles in international trade activities. Although trade policies themselves are not inherently discriminatory, they can impact male and female employment differently due to initial conditions, such as the distribution of employment across economic activities. Some sectors may have a higher proportion of female workers compared to others. In most countries, industries such as education, financial services, tourism-oriented sectors, and healthcare have a relatively high share of female employment compared to male-dominated industries such as mining, manufacturing, construction and transportation services.

To better understand the employment impacts of trade and industrial policies with the evolution of global production networks, the Organisation for Economic Co-operation and Development (OECD) has developed a set of Trade in Employment (TiM) indicators. Following the framework Trade in Value Added (TiVA) indicators, they provide insights on the impacts of increased international trade on sectoral employment and compensation of employees sustained by foreign demand. This is achieved by combining employment by industry (http://oe.cd/io-emp) with the 2021 edition of OECDâ€™s Inter-Country Input-Output (ICIO) tables (http://oe.cd/icio). By exploiting detailed survey data from various sources such as National Accounts, Labour force surveys (LFS), Economic and population censuses, Business surveys, and using a similar methodology, we extend these indicators to investigate the effects of participation in GVCs on employment by workforce characteristics, focusing here on the gender dimension.

National Accounts statistics are designed to provide a consistent picture of labour input, value added and gross output by sector, even for relatively detailed industries. Therefore, the LFS and census data are used only indirectly as attribute shares by an industry applied to industry employment from National Accounts from the top industry to down through the industry level of ICIO tables. Yet, additional consideration is required to incorporate the gender-gap of unpaid family member employment and part-time employees.

This paper describes the sources, limitations and methods used to develop internationally comparable harmonized estimates of employment by industry and gender, for OECD 38 countries covering the period 2008 to 2018, and how they are applied to the industry dimension of ICIO tables to produce indicators of trade in employment by gender. We present results for the number of employment and compensation of employees by industry (for selected economies) engaged in international trade, split by gender.

In general, across OECD countries, men tend to participate more directly in GVCs, through employment in primary and manufacturing exporting sectors while women tend to be more indirectly linked to GVCs, via greater representation in upstream service sectors. However, there are some exceptions where female workers are more directly linked to foreign demand, such as in tourism-oriented sectors (hotel, restaurants, and recreation services) and business services. The TiM indicators by workforce characteristics (gender) offer policymakers insights for understanding the detailed economic impacts of trade and industry policies and can contribute to policy discussions related to womenâ€™s economic opportunities in global value chains.

To further develop this discussion, it is also important to expand the country coverage of this paper. Women in developing counties often face additional challenges to economic opportunities. For example, barriers include access to education, poor working environment in assembly factories, opportunities for entrepreneurship, and discriminatory practices. Therefore, generating employment and compensation indicators for developing countries is important for increasing the potential for economic growth and development, and can be a future extension of this study.