

EXTENDED ABSTRACT

Women make up a little over half the world's population, but their contribution to the labor force is far below its potential, with serious macroeconomic consequences. Despite a recent progress, labor markets across the globe remain divided along gender lines, and female LFP remains lower than the participation of their male counterparts. This paper assessed the determinants of labor force participation of married woman in Russia, using data obtained from Russian Longitudinal Monitoring Survey (RLMS) conducted in 2011 and 2012. The study used two-step Heckman selection model whose major function was to give unbiased estimators of the parameters of the wage function, which could serve to estimate parameters of a structural equation of participation.

On the first stage, the consistent wage estimates for working and non-working segments of the sample are derived. On the second stage, the unbiased wage estimate is included to the main (structural) participation equation and the elasticities of different socio-demographic, economic and other individual characteristics are estimated. Two types of proxies (the presence of children and household income characteristics) that affect the married female's opportunity cost of working but do not generate sample selection mechanisms were used in order to overcome the identification problem in the first-stage wage equation.

The study arrives at a number of interesting conclusions. Firstly, the estimated semi-elasticity of married female participation to wage is about 0.24, which is lower compared to ones obtained in similar studies on other transition economies. We also found that the non-labor income (income of the spouse and other members of the household) is insignificant determinant of labor supply of the married woman in Russia.

The elasticity of the age proved to be concave, indicating that the labor supply of married female in Russia increases with her age, however, this effect is only to some point after which the age is a decreasing function of labor supply.

The presence of dependent children (below school age) has a discouraging effect on labor supply of married woman, while the presence of children of school age motivates females to work.

The study also finds that Muslim females 28 percent less inclined to participate in labor market as compared to other religions in the study.

Finally, the profile of education seems to impact both the probability to participate in the labor force as well as the wage offer of the married females. The individuals obtained higher education are more probable to work, and in general tend to receive 40 percent higher wages, compared to those with lower educational attainment.

The urbanization of the married female tend to increase her probability to supply labor and increase her wage offer by 28 percent. As a result, the empirical evidence provided by this project can be useful in future assessments of current social security and employment policies implemented in transition economies.