

## Chapter 6 Conclusions and Policy Recommendation

Based upon the discussion above, development of female labor force participation in OECD member countries and in Taiwan is summarized here under. After analyzing the advantageous and disadvantageous impacts from the new economy on female labor force participation, this study hopes to derive some useful policy recommendations to improve the situation of female labor force participation.

### 6.1 Research Conclusions

The major findings from investigations in previous chapters can be summarized as follows:

#### 1. International Female Labor Force Participation has Grown

Along with economic and social development, female labor force populations in OECD and in Taiwan have increased from 1980 to 2006. In OECD, the number of female labors reached 243 million people in 2006, and in Taiwan, the number was 4 million people. According to figures for 2006, female labor force participation rate in Taiwan is 48.68%, which is around 14 percentage points less than the rate in OECD. Compared with Iceland, female labor force participation rate in Taiwan is much lower, and the gap between two countries was 37.71 percentage points. This indicates that Taiwan still has a large space to improve its female labor force participation.

#### 2. The Highest Rate of Female Labor Force Participation in OECD and in Taiwan Comes from Different Age Groups

In OECD, age group of 40-44 had the highest female labor force participation rate in 2006, which was 72.67%. However, in Taiwan, the situation is different. In Taiwan, it was age group of 25-29 which had the highest (79.85%) female labor force participation

rate. The very high female labor force participation rate of 25-29 age group in Taiwan is explained by the fact that females in this age group have less household chores because they are either still single or just married. Compared with OECD member countries, female labor force participation rate in the age group of 40 to 44 in Taiwan is 4 percentage points lower. This also reflects that middle age females in Taiwan relatively less participate in the labor market.

### **3. The Education has Improved Female Labor Force Participation**

In 2005, the highest female labor force participation rate of 82.3% came from the group of tertiary educated in OECD countries. In Taiwan, the highest rate of 71.69% was from junior college educated females in 2006. These data show the positive influence of educational attainment on female labor force participation, which is consistent with the human capital theory.

### **4. More Females are Employed in the Service Sector along with the Development of the Service Industry**

Except in Turkey, female employment by sector in 2006 indicates that the service industry is the most popular sector for female employees. In Norway, 90.54% of females are employed in the service sector. While more and more females are employed in the service sector, less and less females are employed in agriculture and industry sectors. This tendency not only indicates the growth of the service industry, but also tells that females in most countries have become dominant players in the service sector.

### **5. Most Females have Worked as Service Workers and Sales Workers**

Analysis of occupations undertaken by females shows that most females of 9 OECD member countries and of Taiwan were employed as service workers and shop and market sales workers. Work in the service industry is generally considered as an extended form of family work, and the traditional gender-role attitudes suggest that females are quite suitable for service work. On the other hand, there has been a

noteworthy development in 7 OECD member countries. That is, most females of these 7 countries are employed as technicians and associate professionals, though these occupations have been traditionally considered as male-dominated.

#### **6. Female Unemployment Rate Decreased in OECD while It Increased in Taiwan**

While female unemployment rate has decreased in OECD countries, the rate has increased from 1.47% in 1980 to 3.71% in 2006 in Taiwan. Female unemployment rate is the highest in case of 15-19 age group in OECD, whereas in Taiwan the highest unemployment rate is in age group of 15-24.

#### **7. Higher Educational Attainment has Influenced Female Unemployment in Two Directions**

Female unemployment rate by level of educational attainment shows different situations in OECD and Taiwan. In OECD, the highest female unemployment rate is among those who are less than upper secondary educated, and the lowest rate is among tertiary educated. On the contrary, the highest female unemployment rate in Taiwan is among university and graduate school, which was 4.62% in 2006.

#### **8. Knowledge-based Economy Improves Female Labor Force Participation but Enlarges the Income Disequilibrium**

The development of knowledge-based economy, which has been mainly driven by knowledge-intensive industries, has offered more employment opportunities and improved the economic growth rate in United States. The advantages of knowledge-based economy to female labor force participation came from the focus on knowledge instead of physical strength. The development of knowledge-intensive service industry is also expected to have positive impact on female labor force participation since more and more female labors have participated in the service industry.

However, since knowledge-based economy values capabilities of application,

creation, and communication of knowledge, professionals and high-skill workers are treated as the core labor forces of companies. On the other hand, low-skill workers in the knowledge-based economy are considered more dispensable and replaceable. Therefore, labor markets have become unstable and serious income disequilibrium has accompanied the coming of knowledge-based economy. These are the disadvantages of the knowledge-based economy.

### **9. Part-time Work Offers More Flexibilities and Choices to Female Workers, but Has Some Disadvantages**

Part-time jobs let a firm better match labor to changing workloads, to get cheaper and more flexible labor, and to retain productive female labors who face household chores temporarily. Also, part-time work lets females have flexible working hours and help them meet their household concerns, without having to choose between full-time work and unemployment. Therefore, part-time work is helpful to improve female labor force participation.

However, part-time jobs are usually found in areas with relatively low pay, treatment, and benefits. And, the growing trend towards part-time work is likely to bring worse consequences to women and other workers who are already under disadvantageous situations in the labor market. In addition, increase of underemployment is noteworthy since some of part-timers are involuntarily so.

### **10. Dispatched Work Provides Flexibility and Efficiency for User Enterprises and Dispatched Workers**

Dispatch employment lowers personnel costs of user enterprises, offers user enterprises the flexibility to use human resources in tune with their needs, and simplify user enterprises' recruiting procedures. Meanwhile, the arrangement of dispatched work lowers the entry barriers of the labor market, offers workers the chance to accumulate and broaden working experiences, and, it indirectly or directly helps the workers to find

permanent jobs.

## **11. Inferior Worker's Security and Unstable Labor Market Followed Dispatched Work**

Although dispatched work is helpful for enhancing female labor force participation, its disadvantages still need to be taken into consideration. In Taiwan, the general types of jobs involved in dispatched work are still of the basic level. Since workers at basic level are easily replaced, it is not good for further development of female labor force participation. Also, due to the lack of clear and specific regulations, dispatched workers are more likely to be offered less security and inferior benefits.

While development of knowledge-based economy and these two atypical employments are advantageous for female labor force participation, the wage disequilibrium and an unstable labor market could lead to adverse conditions. However, the disadvantages are expected to become weaker through government policy and regulations and enhancing of human capital.

### **6.2 Policy Recommendations**

According to the study on the influential factors to female labor force participation, the development on female labor force participation in OECD countries and in Taiwan, and the impacts from new economy. The policy recommendations of this study are aimed at enhancing female labor force participation in Taiwan.

According to the comparison of female labor force participation among OECD member countries, it indicates that development of female labor force participation in Taiwan still has large room to improve. This study suggests that female labor force participation can be improved by the following measures:

#### **1. To Lessen Household Chores**

Figures for Taiwan suggest that the age group of 25-29, which primarily

comprises of unmarried and just married females, has the highest female labor force participation rate. Also, the literature and previous research findings also stress the influence from household chores on females' labor participation. Since heavier household chores reduce females' intention and ability to participate in the labor market, sharing the housework burden of females will bring positive influence.

In Scandinavian countries, female labor force participation rates are rather high because governments provide complete facilities and child care centers to share the household chores. Besides, social welfare systems, such as childcare subsidies and paid parental leaves, also create friendly surroundings to support females to develop their careers. Taiwan can imitate these countries' policies and implement them to improve female labor force participation.

## **2. To Enhance Labor Force Participation of Middle Aged Females**

Compared with OECD countries, female labor force participation rates in age groups of 25-29, 30-34, and 35-39 in Taiwan were rather high. But, female labor force participation rates in middle aged groups in Taiwan are much lower, which pulls down the total female labor force participation rate in Taiwan. To improve female labor force participation rate in Taiwan, it is very important to pay attention to enhancing labor force participation of middle aged females.

Besides sharing the family burden, the government could help enhance the human capital of middle aged females by promoting continuing learning programs and offering more training courses to help them to participate in or to reenter the labor market. Especially, it is more important to train those who have left the labor market for a period of time because the expanding sphere of ICT is raising the entry barriers of the labor market. In addition, females should foster their professional skills or capabilities since high-skill labors and professionals are much valued in the knowledge-based economy.

## **3. To Promote Development of Part-time Work and Dispatched Work**

Under the changing economy, part-time workers and dispatched work help enterprises save personnel cost and to sharpen competitiveness. Development of part-time work and the growth of dispatched work are also helpful to improve female labor force participation, especially for the middle-aged females.

Part-time work can offer workers more flexible working hours, which let part-timers, especially females, have the opportunity to strike a balance between the time they devote to work and the time they devote to other activities, such as caring for family members. Dispatched work helps females save the time and cost on searching a job, and also offers them more opportunities to find permanent jobs. It lowers the entry barriers of the labor market for females also.

Since part-time work and dispatched work are helpful for improving female labor force participation, this study suggests that Taiwan government should propose policies and make efforts to promote the development of these two kinds of atypical employments. Meanwhile, the government should make concerned legal regulations to regulate these patterns of employment and to protect part-time workers and dispatched workers from insecure conditions.