Oil Rents, Education, and Women Participation in Labor Market and Politics
(Case Study of Iran)

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Mes-gar-ani and Mes-koub!

Literature on F-LFP

- Stylised facts:
- F-LFPR < M-LFPR
- F-LFPR over time follows a **U** curve pattern.
- Agrarian based, small manufacturing F-LFPR high
- Industrialisation and urbanisation → D Labour of Male > D Labour Female (male literacy, skills development)→F-LFPR drops
- Overtime the M – F gap in education and skill narrows and F-LFPR up

Determinants of F-LFPR

- Availability and access to education
- Access to family planning and changes in fertility
- Age of marriage
- Household income
- Reservation wage
- Flexibility of labour demand/employers with respect to family/motherhood responsibility of women
- ….

LFPR of population 15 years of age and over, Iran and Turkey, by gender and year, %.

Year	Iran Male (15+)	Iran Female (15+)	Turkey Male (15+)	Turkey Female (15+)
1982	77.5	11.5	84.6 (1980)	46.2 (1980)
1986	81	9	83.2 (1985)	44.3 (1985)
1996	74.8	10.6	80.6 (1998)	36.1 (1998)
2005	73.8	19.2	70.3	23.3
2014	62.5	12.00	71.2	30.2

Why low F-LFPR in Iran?

- Earlier studies: higher educational attainment and decline in fertility
- Present paper:

  1-Impact of Oil Rent on F-LFPR

  2-Impact of Oil Rent on F- Political Participation

  Theory:

  'resource curse'

  'Dutch disease'

  Politics of resource curse (authoritarianism, unaccountability, reinforcing of traditional values...)

Modelling

- Auto-Reg-Dist.Lag: FLFP on its past levels (-1 and -2) and GDP (-1 and -2)
- BUT Oil and Gas Rent OGR at time t?
- Time needed for the OGR to flow through the economy?
- Why not lagged values of OGR?
- Cumulative effect of OGR?
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- Definition of OGR: income or profit (income – costs) – Paper argues rent because of low cost, so it has to be profit, correct?

Results: OGR and F-LFPR

- Econometric results (table 2.2)
- Very high R-squared- to be expected
- All coefts: significant, except **OGR** (most important coef. for hypothesis **insignificant**)
- Multicolinearity: changing signs of the coefficients

- Long run results again very weak for **OGR** with very P-value (**'not significant at 10%'**)

Results: OGR and F-Political Participation

- Indicators: % female MPs, Number (?) of 'female ministers' and 'state cabinets'

- OGR and OGR (-1) – significant dynamic results

- Long-run results again 'not significant at 10%)

- How much variation in numbers over 1990-2013 period to give us meaningful results?

Some suggestions

- Separate the two model…different models and theories (economic and politic theories)
- Factor in non-paid work of women (Time Use Study of Iran). Inverse relationship between home-time and market time
- 'Care-economy' literature and refocusing of 'gender equality' away from labour market participation
- 'Dutch disease': non-traded sectors - construction and service sector benefits form oil rent, so why demand for women's labour not increasing?
- Data: industrial data and employment, informal sector, household budget/income surveys (reporting how many M and F are working)