**Analyzing Female Labor Force Participation in Afghanistan: Panel Data Approach**

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**Abstract**

In comparison to other countries, female labor force participation in Afghanistan is the lowest. Afghanistan currently has the lowest labor force participation rate in the world, at 16%. According to the 2015 UN Gender Inequality Index, women own only 5% of Afghan businesses. The aim of this paper is to examine female labor force participation in Afghanistan. This is the first study of women's labor force participation in Afghanistan. Data were obtained from a variety of official sources, including the Central and Statistical Organization of Afghanistan, the World Bank, the Ministry of Labor, and the Ministry of Women's Affairs. The dataset covers 20 provinces in the different time periods from 2016 to 2020.

In a panel data approach, we used a fixed effects model and a generalized method of moments (GMM) to analyze the effect of minimum wage, female education, female age, mother age, household size, father's education level, and female labor skills (work experience) on female labor force participation. Our findings show that the minimum wage, female education, female age, father's education level, and female work skills (work experience) all have significant and positive effects on female labor force participation. However, the mother's age has no effect on women's labor-force participation. There is a strong, statistically significant, and negative relationship between household size and female labor force participation. These findings imply that the Afghan government should consider using minimum wages, education, working age, and work experience as policy tools to increase female labor force participation. Using a panel data approach, this study contributes to the literature in Afghanistan.

**Keywords:** Female labor force, household size, education, minimum wage, labor market, panel data, Afghanistan.

 **JEL Codes:** J20, J21