

If demographic shifts occur concurrently with economic growth, shifts from home production to labor marketization should increase women's work at both the intensive and extensive margins, especially as economies transition from traditional labor intensive to human capital-intensive sectors. The puzzling low Female Labor Force Participation (FLFP) rate in Morocco can, theoretically, be traced back to the patterns of production in household markets, accounting for the uneven distribution of paid and unpaid labor between men and women, as well as economy-wide misallocations, explaining the rarity of 'women friendly' jobs. Without any oversimplifications, increases in female labor supply have been explained for the most part by growth of services which allow women to marketize their labor and buy substitutes for their home production in the markets. However, delayed reallocations or transitions to industrialization, which are in part attributed to low agricultural productivity, can in turn explain the slow growth in services where demand for women's labor is relatively higher. So, in spite the increase in female educational attainment, without a dynamic growth in the service sector providing women with better quality employment opportunities and market produced substitutes to their home production, female labor supply will not follow. This dissertation builds on the large literature of new household economics and on growth and structural transformation, trying to address the issue of low female labor supply in Morocco. It attempts to enlarge the scope of existing knowledge on this issue. First, it examines the contribution of paid and unpaid work to the economy highlighting the demographic and gender dividends. The tradeoffs between household markets and labor markets constitute a focus area for analysis. Second, it provides empirical examination of the collective labor supply model and the role of intra-household bargaining between spouses. Further, it examines the role of gender positive policies in balancing intra-household bargaining power and their incidence on women's labor outcomes.