

ABSTRACT

Trade liberalization plays a significant role in the development of the economy as no country has everything and they depend on trade to grow and prosper. The key objective of this research is to explore the relationship of trade liberalization on women empowerment. It also aims to find out if it is beneficial for gender gap. This study utilized a sample of five SAARC countries for the time period of 15 years, that is, from 2000 to 2014. It emphasizes on tariffs and regulatory trade barriers which are considered significant indicators of trade liberalization, along with freedom of trade which is a composite index. The gender gap is measured through the female to male participation rate, whereas, gender development index (GDI) is used as a relative measure of women empowerment after adjusting HDI for gender disparity in three dimensions. The other control variables incorporated in this study include, gross domestic product growth, education of females, female unemployment rate and the hiring regulations & minimum wage standards. The econometric technique applied is the pooled ordinary least squares (OLS) method along with various diagnostic tests. When the trade liberalization goes up, it increases the GDI, meaning lower gender disparity which in turn refers to greater women empowerment. The research concludes that whenever the trade liberalization is increased, it does not reduce the gender gap, which means the female to male participation rate goes down. It encourages the females to actively participate in the labor market, but it does not play a role in reducing gender gap. Education of females is essential because it creates awareness among the females and enhances their skills, which leads to empowering women, making them self-sufficient and to be an active participant in the economic activity, which can improve their standard of living.