Parametric sample selection model for non participation of married women in the labor force

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Sample Selection Model was developed by Heckman (1974) has been widely used in various fields of econometrics especially in the labor force. The models usually used for estimated the participant by two-step estimator. However, this model concerned only for women to participant in the labor force and ignoring the women who non participant (Martins, 2001). This scenario leads to sample selection bias. In this paper, we developed a model that concern both participant and non participant. In the context of parametric methods, the sample selection model especially for non-participant of women in the labor force is studied. The properties of this new model are develop, which leads to the derivation of women non-participant theorem in the labor force. The proofs of these theorems are presented. The efficient of this model was carried out using Monte Carlo simulation as well as the data set from Malaysian Family and Population Survey 2004 (MFPS 2004).

Keywords: Sample Selection Model, Sample Selection Bias, Non-participant, Monte Carlo Simulation, Malaysian Labor Force