THE NOBEL LAUREATE 'DETECTIVE' CLAUDIA GOLDIN AND HER ROLE IN BRINGING WOMEN INTO THE ECONOMIC DISCOURSE

Presenter: Deepak Singhania Assistant Professor, HSS department IIT Gandhinagar 10th February 2024



Claudia Dale Goldin

(The 1st woman to be awarded the Nobel Prize solo and the 3rd woman in the field of Economics)

• Currently: Henry Lee Professor of Economics at Harvard University

- Co-director of the NBER's Gender in the Economy group
 - 1989-2017, was director of the NBER's Development of the American Economy program

Two questions for you

•What do you think is the natural difference between a man and a woman when it comes to the labor market?

•What would you expect regarding women participation in the labour force as a country gets richer?

Why did the Nobel prize committee recognize Claudia Goldin?

She picked up an area that was rarely chosen at the time.
"for having advanced our understanding of women's labor market outcomes,"

• "the first comprehensive account of women's earnings and labor market participation through the centuries

 Working on women in the labour market was of the least importance at the time when the world was experiencing new waves of industrialization & booming service industries.

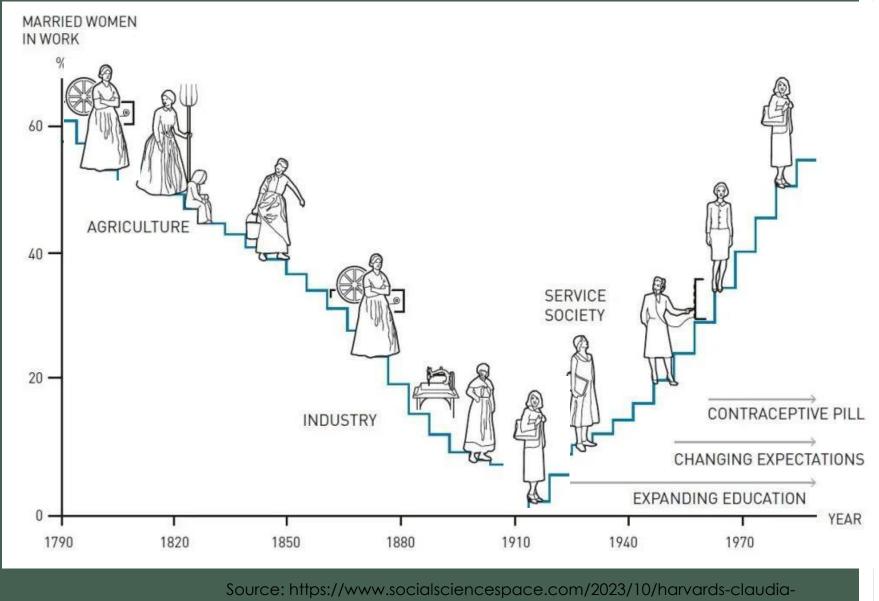
A peek into her work

• Goldin gave new and often surprising insights into women's historical and contemporary roles in the labor market

- Demonstrated that several factors have influenced the supply of and demand for female labor
 - women's opportunities for combining paid work and family,
 - decisions relating to education and childrearing,
 - technical innovations,
 - laws and **norms**, and
 - the structural transformation of the economy

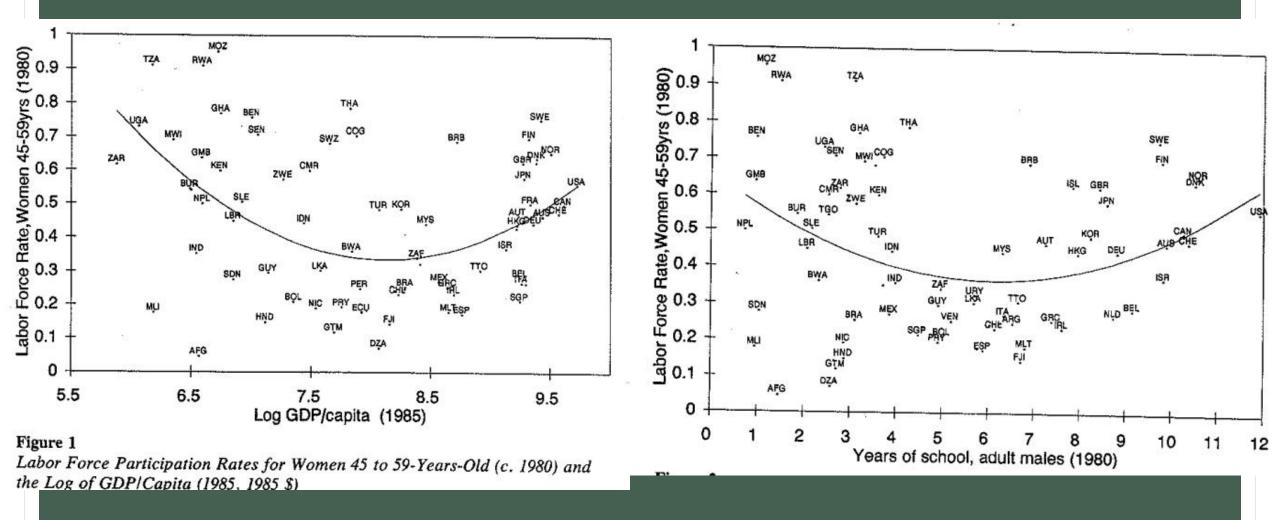
THE U-SHAPED CURVE

The U-shape Curve (U.S.)



goldin-receives-nobel-for-work-on-gender-labor-gap/

The U-shape Curve (Global)



Source: Goldin C. The U-Shaped Female Labor Force Function in Economic Development and Economic History. In: Schultz TP

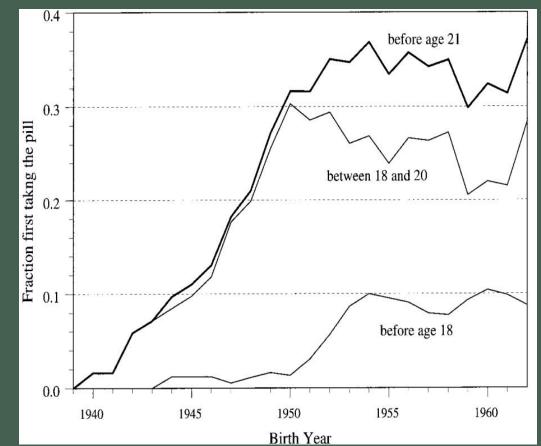
FACTORS AFFECTING LABOUR PARTICIPATION

The Freedom to delay Biological decisions

Power of the Pill

The fraction of U.S. college graduate women entering professional programs increased substantially just after 1970, and the age at first marriage among all U.S. college graduate women began to soar around the same year

- Late 1960s: contraceptive pill introduced (an easy-to-use family planning and contraceptive method)
- Women's ability/independence in choosing career and education increased
- Marriage market cost of delaying marriage and childbirth reduced



Fraction of college graduate women first taking the pill at various ages (among those with no births before age 23)

Source: https://dash.harvard.edu/bitstream/handle/1/2624453/Goldin_PowerPill.pdf

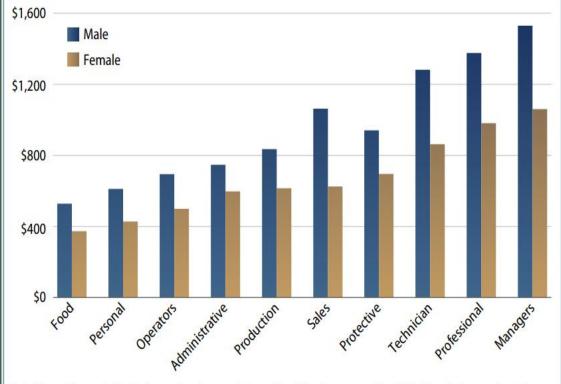
BEYOND LABOUR MARKET PARTICIPATION...

Hour's flexibility and the gender gap

• Gender earnings gaps are related to a host of occupational characteristics:

- the requirement to be onsite; the need for face-time; intensive client contact; the importance of working in interdependent teams; and the degree to which work is independent, rather than not, and on specific, structured projects, rather than on less-defined ones.
- If men and women were found in occupations in proportion to their total workforce, gender gaps would not be reduced to any great extent
- Women are more likely to work fewer than 40 hours per week; <u>they experience the wage</u> <u>penalty</u> more often

Weekly earnings and the gender pay gap, by sex and occupational group



Note: Observations are limited to those whose hours are between 5 and 65, whose ages are from 25 to 64, and whose constructed or actual hourly wage is greater than half the contemporaneous minimum wage and less than \$140/hour. Observations are weighted by "earnwt" and data include both hourly and non-hourly workers.

Source: Current Population Survey Merged Outgoing Rotation Groups or CPS-MORG. 2005 to 2011

Source: https://scholar.harvard.edu/files/goldin/files/goldin_equalpay-cap.pdf

HOW HAS CLAUDIA'S WORK INSPIRED RESEARCH AROUND THE WORLD

Around the world



Expansion of maternity leave duration resulted in more formal employment for women (<u>Vu and Glewwe 2022</u>)



Low FLFP is linked with unsatisfied childcare needs. Urban women without access to informal childcare forego approximately US\$1,300 in earnings due to prolonged absence from the labor market. (Halim et al. 2017)



Motherhood reduces women's emp. & changes occupational structure towards vulnerable emp.: part-time, self-emp. & informal work. Countries with more conservative views on women's role within family \rightarrow larger gaps in labour outcomes between mothers & childless women (<u>Berniel</u> et al. 2023)

INDIA

FLFP in India

The Indian experience is very different – No 'U' Shape.

• Work participation rates of women in India are declining.

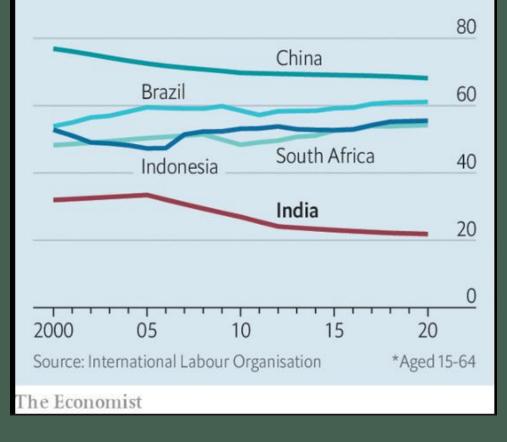
OECD report (2019), Indian women spend **352 min.** a day on unpaid work as against **52 min.** by men.

'domestic duties,' the pressure of household and caring responsibilities on women.

Gender norms

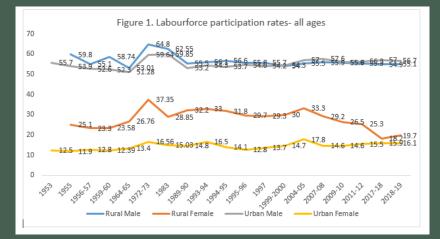
Women's squib

Female labour-force participation rate*, % Modelled ILO estimate

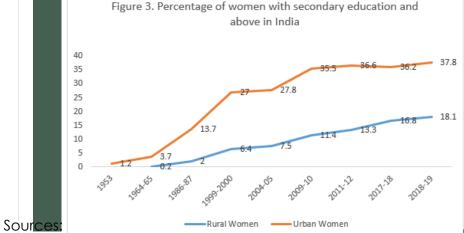


Structural changes in the Indian economy

If anything, an inverted 'U'-shaped curve



Improved education for women

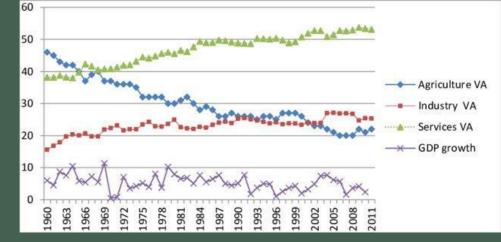


Despite...

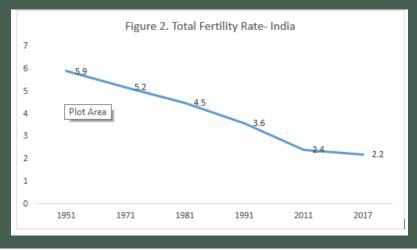
Gender norms...

- Around use of technology
- Financial independence
- Bargaining power
- Family care

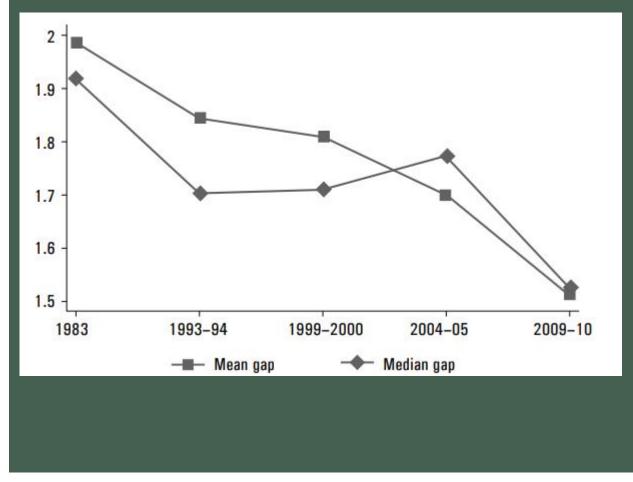
Increased share of services sector



Reduced fertility



1. https://www.researchgate.net/publication/260710458_Asian_Economic_and_Financial_Review_2014_43377-386_SERVICE_SECTOR_AS_AN_ENGINE_OF_GROWTH_EMPIRICAL_ANA 1. https://iwwage.org/how-has-indias-female-labour-force-fared-since-independence/ Even gender wage gap continues to be high

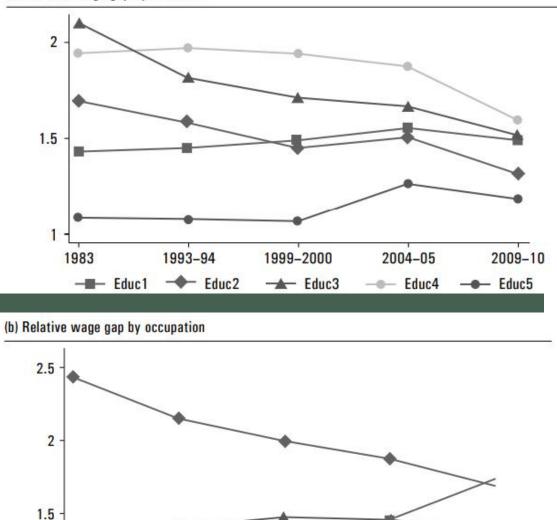


(a) Relative wage gap by education

1983

1993-94

-White collar



1999-2000

- Blue collar

2004-05

Agriculture

2009-10

Source: https://www.ncaer.org/wp-content/uploads/2022/09/d2.pdf





Claudia Goldin



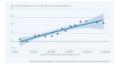
Ashwini Deshpande

1 TO 50 OF 215 RESULTS FOUND | SHOW: 50 ~ RESULTS

V

SI 2024 Gender in the Economy

JULY 23-24, 2024 - CONFERENCE



Global Evidence on Childbearing and Women's Employment

DECEMBER 1, 2023 - ARTICLE

Gender gaps in labor market outcomes vary greatly around the world. In The Child Penalty Atlas (NBER Working Paper 31649), Henrik Kleven, Camille Landais, and Gabriel Leite-Mariante examine whether the large differences in gender gaps can be explained by differences in the impact of family formation...



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How Does Caregiving Affect Labor Supply?

OCTOBER 4, 2023 - ARTICLE

The need for long-term, nonacute caregiving is projected to rise significantly in coming decades. The number of Americans ages 65 and older is expected to double by 2050 and approximately one-third of adults in this age range report multiple functional limitations. Much of the growing demand for...



Legal Changes in the 1960s Narrowed the Gender Pay Gap

OCTOBER 1, 2023 - ARTICLE

Two landmark pieces of federal legislation in the early 1960s targeted pay discrimination against women. In How the 1963 Equal Pay Act and 1964 Civil Rights Act Shaped the Gender Gap in Pay (NBER Working Paper 31332), Martha J. Bailey, Thomas E. Helgerman, and Bryan A. Stuart present new estimates ...

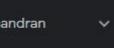


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Seema Jayachandran

THANK

YOU!

