Ungendering the economy

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Based on work with Nava Ashraf, Virginia Minni, Ahmed El Sayed, Andrea Smurra, Anton Heil, Michelle Rao, Barbara Petrongolo, Gabriela Diaz-Padro
Equal laws, unequal labour

Women's political empowerment index, 2023
Based on the expert estimates and index by V-Dem. It captures the extent to which women enjoy civil liberties, can participate in civil society, and are represented in politics. It ranges from 0 to 1 (most empowered).

Ratio of female to male labor force participation rates, 2022
This ratio is calculated by dividing the labor force participation rate among women, by the corresponding rate for men. The labor force participation rate is the proportion of the population aged 15 years and older that is economically active.
Progress, up to a (different) point
Whither progress?

The rights gap closed because women’s rights improved

The labour gap (partially) closed because some men got worse:

- low skilled (because of tech, Andrew et al 23)
- young graduates (because of older men, Bianchi et al 24)
The division of labor is gendered

In most couples, men specialise in market work, women do the bulk of work inside the home, either exclusively or with some market work.

This division matters because work inside the home not counted as “work”: no pay, no social status, no lines on cv.

I will argue that this division is both unjust and inefficient.

On a more positive note, this is a rare case where policy can improve both equity and efficiency.
Economic efficiency
The fallacy of labor supply

- most existing estimates of “the business case for women” focus on the increase in labor supply (e.g. OECD 2012)

- but whether labour supply actually increases depends on whether the increase in market supply > fall in home supply

- if not, only measured labor supply increases

- if yes, output will increase but women’s welfare will fall
Distributive justice

Social status, educational and economic opportunities, and political power are all closely linked to paid market work.

As long as home production is not afforded the same status, the gendered division of labor is a matter of distributive justice.
Skills are uncorrelated with gender

Thus at least some women (and hence some men) are misallocated

Gender neutrality would improve worker-job matching and reduce misallocation
Estimating allocation gains

Macro estimates (US from Hsieh et al)

In 1960, 94 percent of doctors and lawyers were white men. By 2010, the fraction was just 62 percent.

Given that the innate talent for these professions is unlikely to have changed differently across groups, the change in the occupational distribution since 1960 suggests that a substantial pool of innately talented women and black men in 1960 were not pursuing their comparative advantage.

We examine the effect on aggregate productivity of the convergence in the occupational distribution between 1960 and 2010 through the prism of a Roy model. Across our various specifications, between 20% and 40% of growth in aggregate market output per person can be explained by the improved allocation of talent.
Estimating allocation gains

Micro estimates (100+ countries, Ashraf et al)

We study how the gendered division of labor inside and outside the home affects productivity by restricting the pool of talent from which firms hire. Using the personnel records of 100,000 workers from a firm operating in over 100 countries, we show that the performance of female employees is higher in countries and cohorts where the ratio of women to men in the workforce is low.

This is in line with gender barriers generating positive selection, thus indicating productivity gains from hiring more women.

We find that the firm could maximize productivity by increasing women’s pay and employing more women. Yet, this would create a stark increase in gender pay inequality.
Why gender?

- Biology
- Preferences
- Norms
- Policies
Biology explains a lot but why?
Preferences—are women from Venus?

Two studies of studies (Bandiera et al 21, 23) to assess gender differences in:

- response to financial incentives
- overconfidence

If women are from Venus, so are men
Preferences-the PW experiment

- Flexible Time
- High Income
- Work Life Balance
- Opportunities for advancement
- Job Security
- Useful to Society
- Personal Contact with people
- Independent Work
- Helping Others
- Growing, learning new skills
- Interesting Job
- High Prestige

Gender gap (M-W), control endline

women want

men want
Preferences—the PW experiment

- Flexible Time
- High Income
- Work Life Balance
- Opportunities for advancement
- Job Security
- Useful to Society
- Personal Contact with people
- Independent Work
- Helping Others
- Growing, learning new skills
- Interesting Job
- High Prestige

Gender gap (M-W), treatment endline

women want

men want
Preferences-the PW experiment

- Flexible Time
- High Income
- Work Life Balance
- Opportunities for advancement
- Job Security
- Useful to Society
- Personal Contact with people
- Independent Work
- Helping Others
- Growing, learning new skills
- Interesting Job
- High Prestige
Norms and multiple equilibria
Policy questions

Why do family policies assume that the mother is the main carer but workplace policies assume gender equality?

Why is childcare treated as consumption rather than investment?

Why do we encourage girls to go into STEM but do nothing for boys?

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How
Open questions

- the value of housework
- the fatherhood bonus
- the future of work