Women's Labour Market Outcomes

Why in news?

Recently, Claudia Goldin won the 2023 Nobel Prize for economics, for her work that overturned assumptions about gender equality.

2023 Nobel Prize for Economics
• Claudia Goldin's work is the 1st comprehensive account of women's earning and labour market participation through the centuries. • She is only the 3rd women to have won the prize (for Economics) after ***Elinor Ostrom*** in 2009 and ***Esther Duflo*** in 2019 and the 1st to do it solo. • **Work of Claudia Goldin** - Professor Goldin trawled through the archives of about 200 years of the United States to demonstrate how and why gender differences in earnings and employment rates have changed over time. • Her works include - Understanding the Gender Gap: An Economic History of American Women - Career & Family: Women's Century-Long Journey toward Equity

What did her research reveal?

- **Female labour**- The economic growth ensuing in varied periods did not translate to reducing gender differences in the labour market.
- She demonstrated that several factors have historically influenced and still influence the supply and demand for female labour.
- **Opportunities-** The female employment opportunities include combining paid work and a family, decisions related to pursuing education and raising children, technical innovations, laws and norms, and the structural transformation in an economy.
- **Unequal paradigm**- Men are able to have a family and step up because women step back in terms of their jobs.

How did female participation move over years?

- **U shaped curve**- The participation of married women in the workforce decreased with the transition from an agrarian to an industrialised society in the early 19th century.
- It started to increase again with the growth of the services sector in the early 19th century.

- **Incorrect assessment**- She observed how female participation in labour force was incorrectly assessed.
    - For example, categorising women's occupation as "wife" in records was incorrect because the identification did not account for activities other than domestic

labour such as working alongside husbands in farms or family businesses.

- The corrected data enumerated that the employment rate for married women was three times greater than the registered Census.
- **Historical inconsistency**- She observed that prior to the advent of industrialisation in the 19th century, women were more likely to participate in the labour force.
- Even though unmarried women were employed in manufacturing during the industrial era, the overall female force had declined.
- These two factors combined form the basis of the claim that there is no historical consistency between female engagement in the overall labour force and economic growth.
- **Technology-** The beginning of the 20th century marked the upward trajectory for female participation in the labour force due to technological progress, growth of services sector and education.
- However social stigma, legislation and other institutional barriers limited their influence.
- **Feminist movements**- It occurred during 1960s and 1970s that led to a "Quiet Revolution" as more and more women entered the workforce for longer periods to pursue careers.
- Two factors are of particular importance during 20th century
    - **Marriage bars** - It is the practice of firing and not hiring women once married, it peaked during the 1930's Great Depression.
    - **Future career decisions** - The women at varied points were subject to different circumstances when deciding on their life choices.
- **Extended exit**- Extended exit from workforce post marriage explains why the average employment level for women was low despite the massive influx of women into the labour market.
- **Birth control pills**- Introducing this created conditions for women to plan their careers better but this did not translate to the disappearance of the earnings gap between men and women.

What about the pay discrimination?

Employees being paid differently because of factors such as colour, religion or sex among others is called as pay discrimination.

- **Service sector**- The pay discrimination increased significantly with the growth of the services sector in the 20th century.
- **Parenthood effect-** Women's career goals today are impacted by the tug between care and work.
- **Greedy jobs-** These are careers that require significant time and attention from workers and are more likely to reward those who are available at all times.
- The value of greedy jobs has greatly increased since the early 1980s, which means that either the man or the woman must be employed in a greedy job to have a substantial family income.
- **Glass ceiling effect**- It prevents women from reaching high position in their company which affects career trajectory, status and lifetime earning potential.

- **Gender divide**- Her study had shown that the advance in the economic status of women and the gender divide in the workplace were due to long standing societal trends.
- **Gender equality**- Goldin ultimately advocates for reimagining work and care so that men and women can have it all - fulfilling careers and fulfilling family lives.

What do her books convey about her work?

- **Role of education**- In first half of the 19th century, education raced ahead of technology, but later, technology raced ahead of educational gains.
- The study showed that the sharp rise in economic inequality largely to an educational slowdown.
- **Aged women working**- She found that the American women working more than ever during their 50s and 70s increased around 1980s.
- Education, work experience, disruption in household finance, access to retirement benefits etc., were quoted as reason.
- **Career & Family**- In her book, she brought up the issue of couple equity in the house, and the importance of sharing house work.

Gender Gap Report, 2023
• India ranked *127 out of 146 countries* in terms of gender parity and has has climbed eight spots which was 135 last year. • **Released by**- World Economic Forum • **Key pillars**- - Economic opportunity - Political empowerment - Educational attainment - Health and survival • **Political empowerment**- With representation of women of over 40% in local governance, there has been improvement in this indicator. • Women's Reservation Act- It proposes to reserve 33% of seats in the Lok Sabha and State Legislative Assemblies for women, this would further improve the indicator. • **Economic participation-** India ranks near the bottom with less than 40% parity. • **Health and survival**- An improvement in sex ratio at birth has driven up parity after more than a decade of slow progress. • **Education-** Providing girls with a job-assured education will automatically improve all development indices and break the vicious cycle of early marriage.

References

1. Indian Express- Women's aspiration role in workforce
2. The Hindu- Bridging the gender gap
3. The Hindu- Claudia's observation about female labour force participation



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