

# Ungendering the economy

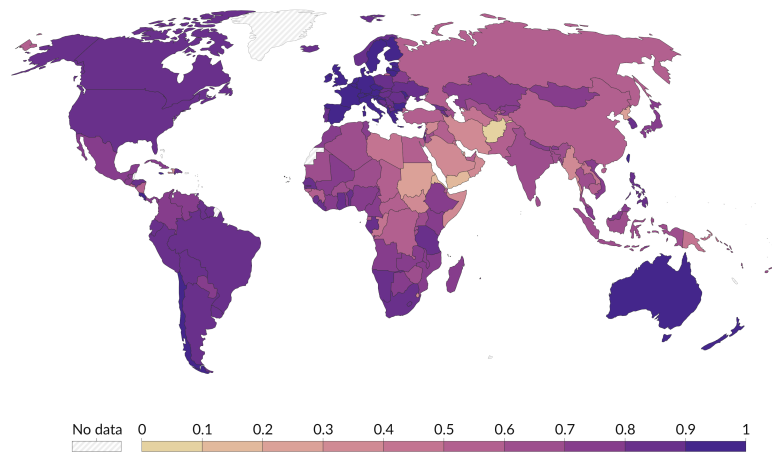
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# Equal laws, unequal labour

## Women's political empowerment index, 2023

Based on the expert estimates and index by V-Dem<sup>1</sup>. 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).



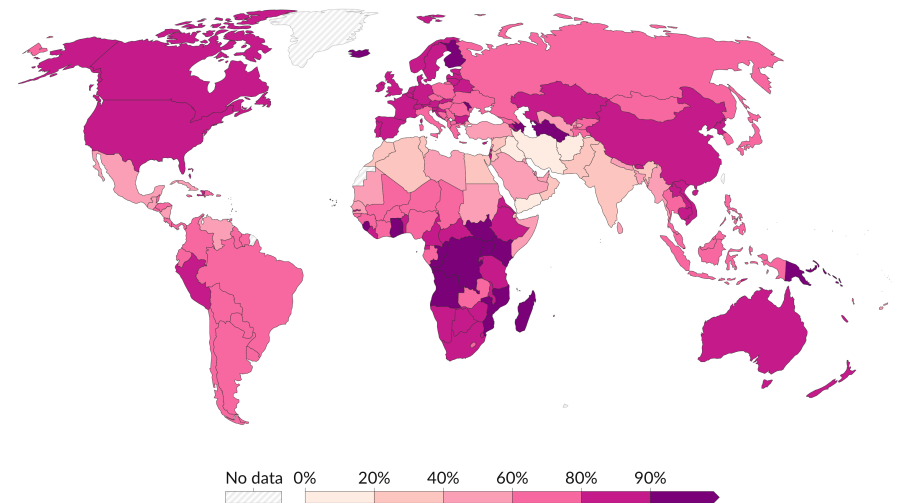
Data source: V-Dem (2024)

OurWorldInData.org/women-rights | CC BY

1. V-Dem: The Varieties of Democracy (V-Dem) project publishes data and research on democracy and human rights. It relies on evaluations by around 3,500 country experts and supplementary work by its own researchers to assess political institutions and the protection of rights. The project is managed by the V-Dem Institute, based at the University of Gothenburg in Sweden. Learn more: Democracy data: how do researchers measure democracy? The 'Varieties of Democracy' data: how do researchers measure democracy? The 'Varieties of Democracy' data: how do researchers measure human rights?

## Ratio of female to male labor force participation rates, 2022

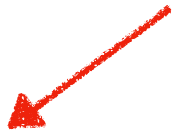
This ratio is calculated by dividing the labor force participation rate among women, by the corresponding rate for men. The labor force participation rate is the proportion of the population aged 15 years and older that is economically active.



Data source: Multiple sources compiled by World Bank (2024)

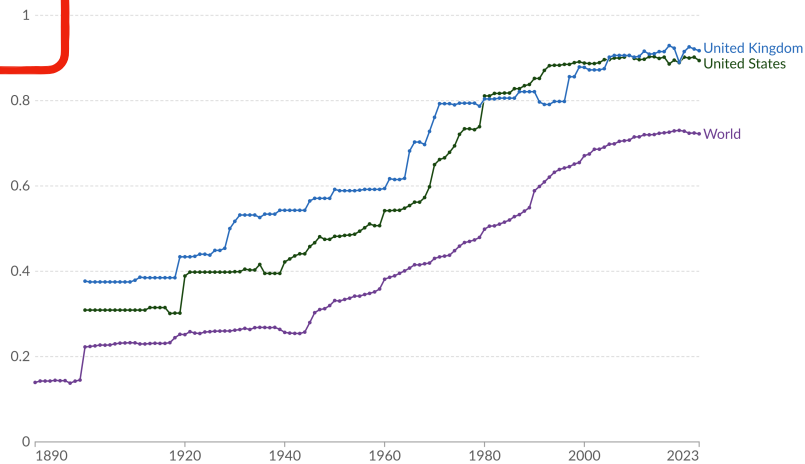
OurWorldInData.org/female-labor-supply | CC BY

# Progress, up to a (different) point



## Women's political empowerment index

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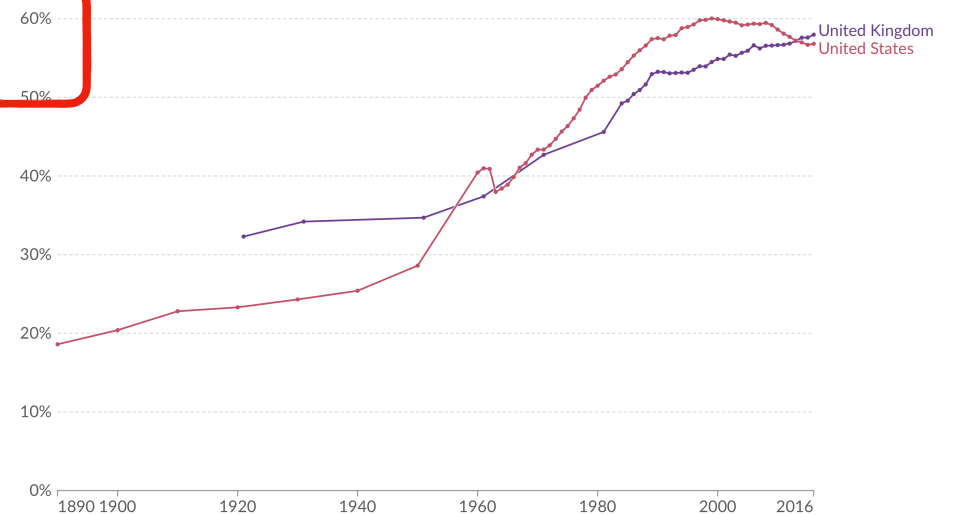


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## Female labor force participation rates

Proportion of the female population ages 15 and over that is economically active.



Data source: Our World In Data based on OECD (2017) and Long (1958) OurWorldInData.org/female-labor-supply | CC BY

Note: For some observations prior to 1960, the participation rate is taken with respect to the female population 14 and over. See sources for details.

# 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. OECDi 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

# Economic efficiency

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?

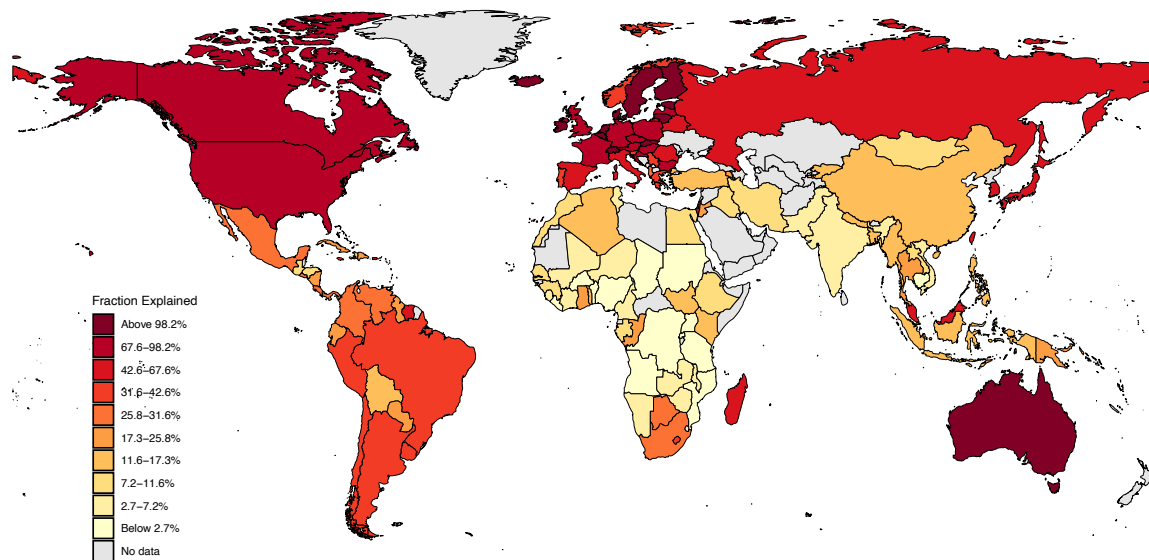
Biology

Preferences

Norms

Policies

# Biology explains a lot but why?



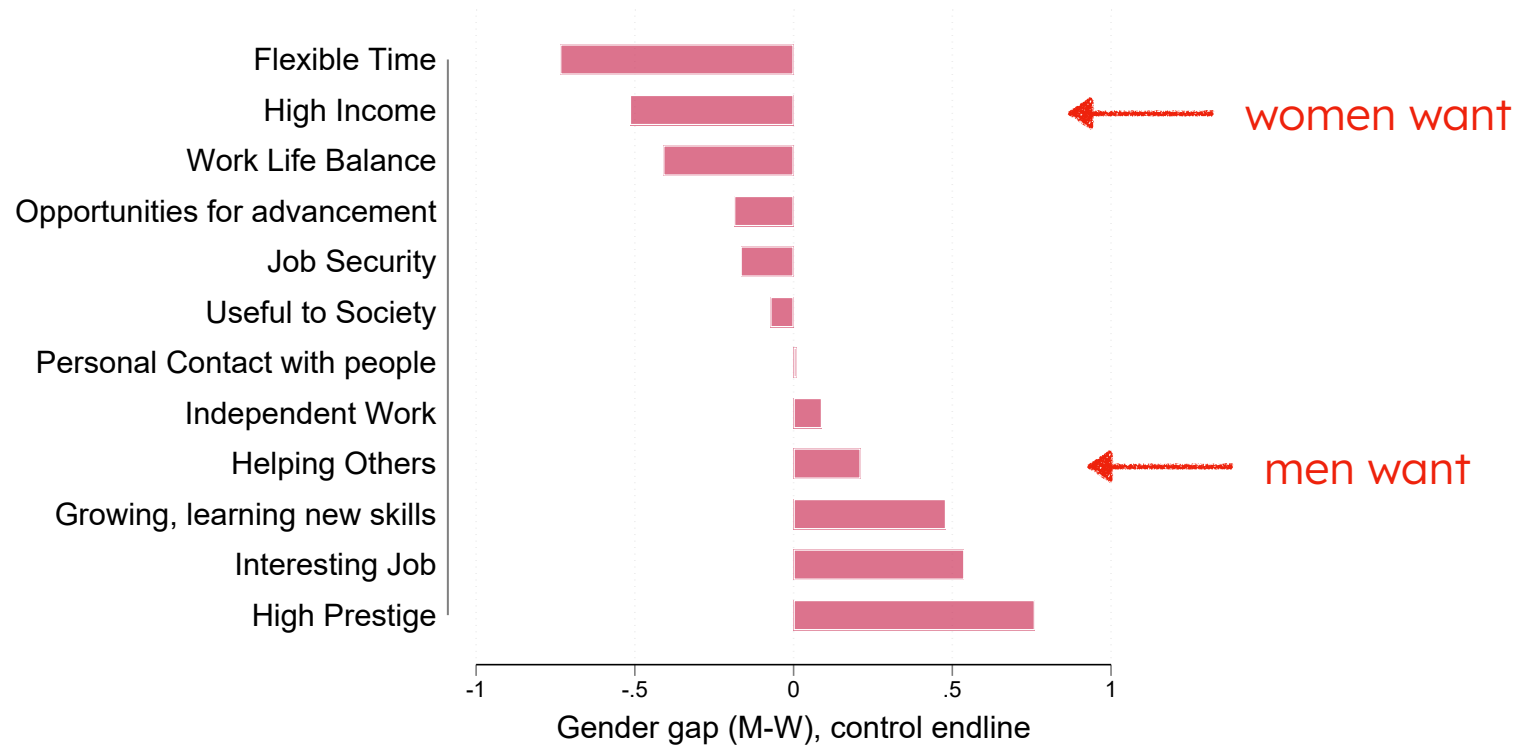
# Preferences-are women from Venus?

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

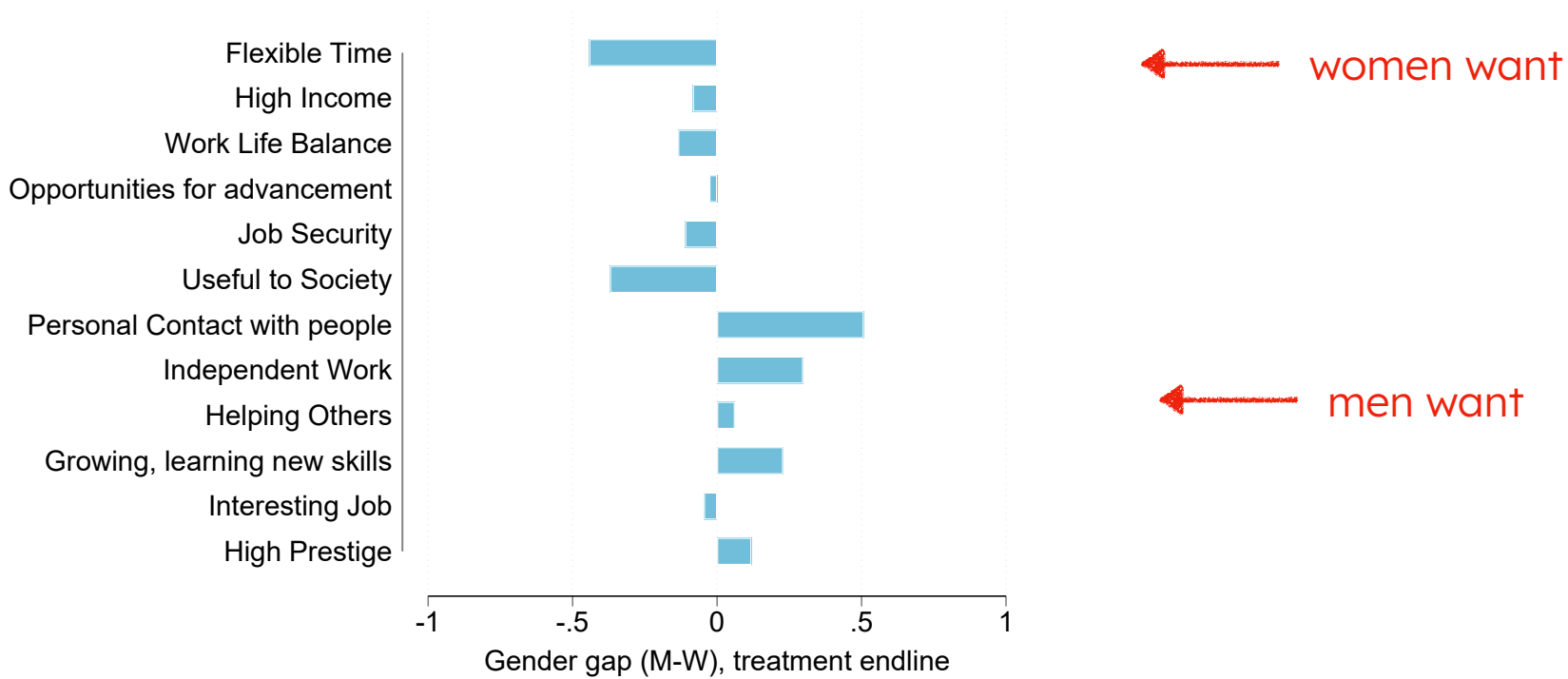
- response to financial incentives
- overconfidence

If women are from Venus, so are men

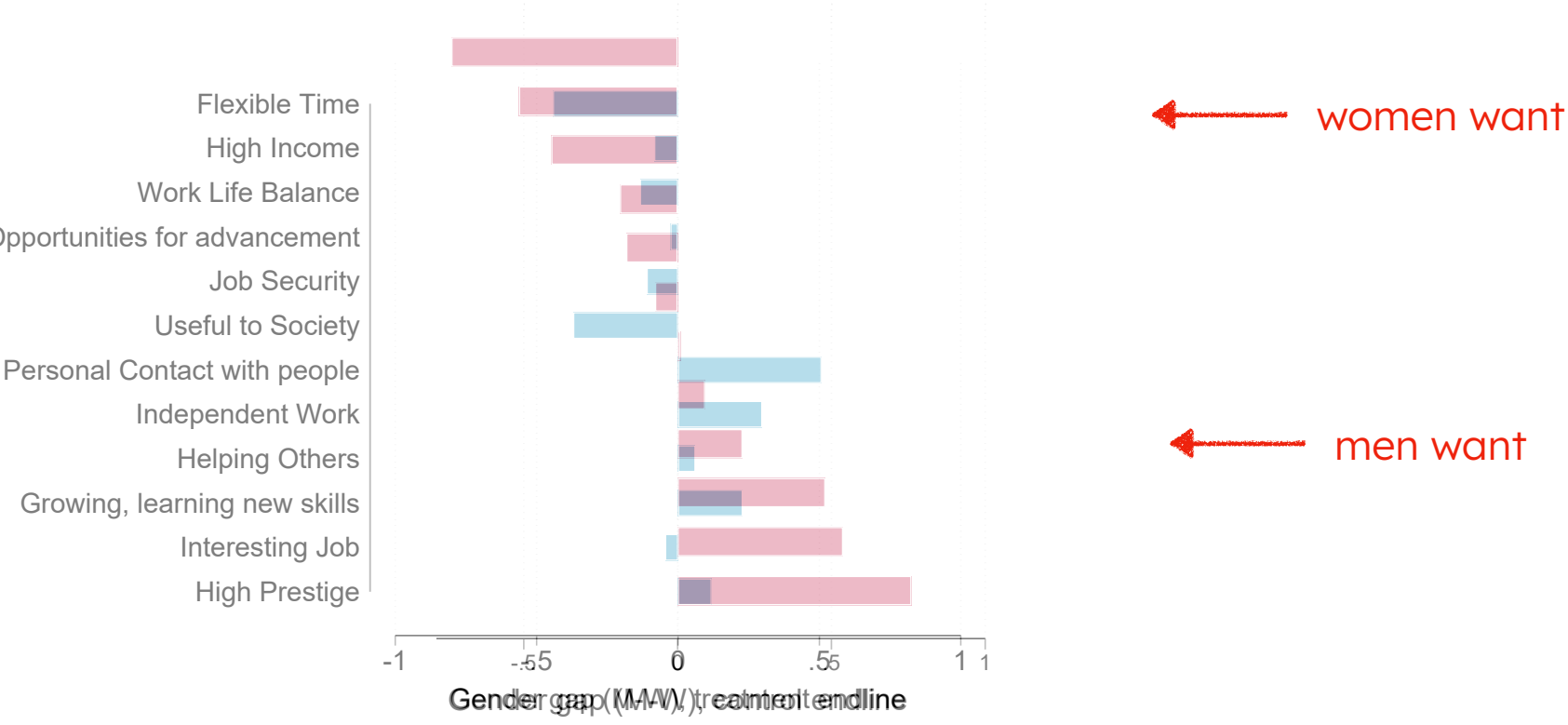
# Preferences-the PW experiment



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# Preferences-the PW experiment





# 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?

.....

How



# Open questions

-the value of housework

-the fatherhood bonus

-the future of work