

# Gender Barriers, Structural Transformation and Economic Development

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ABCDE  
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# Motivation

- Extensive literature studies the causes of structural transformation and consequences for economic development  
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- However, the gender aspect of structural transformation remains understudied
- From the gender perspective, substantial changes across the world over the last 50 years:
  - ▶ higher FLFP, closing wage gaps b/w men and women
  - ▶ lower gender education gaps, esp. after 1990s Figure  
(Evans, Akmal and Jakiela, 2021)
  - ▶ measurable changes in gendered laws at the workplace, mobility for women, HH norms WBL Data, World Bank

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  - ▶ inefficient talent allocation across sectors → loss in aggregate productivity/output (Chiplunkar and Goldberg, 2022; Hsieh, Hurst, Jones and Klenow, 2019; Cuberes and Teignier, 2014, 2016)

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Q2. How important are gender barriers for countries' structural transformation and economic development?

## What we do:

- i) Estimate a G.E. model of occupation-sector choice
  - decompose diff./changes → economic & non-economic channels
- ii) How much do these gender barriers matter?
  - quantify growth b/w 1970-2015 coming from gender barriers

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- Core Sample: 6 countries (34 country-years)

Global Coverage

Countries

- ▶ India, Indonesia, Brazil, Mexico, Canada, and USA
- ▶ Data on hourly wages, sectoral value-added, etc. available
- ▶ Long decadal panels for each country b/w 1970-75 to 2015-18 at the sector-occupation-gender level.

# Classification of Sectors

| Sector          | IPUMS Sector Classifications                               |
|-----------------|--|
| Agriculture     | Agriculture, Fishing and Forestry                          |
| Manufacturing   | Mining, Construction, Electricity, Gas, Water              |
| Market Services | Retail, Wholesale, Transport, Hotels,<br>Education, Health |
| Home Services   | Household Services, Unemployed, Inactive                   |

Similar to Herrendorf et al. (2013); Herrendorf and Schoellman (2018)

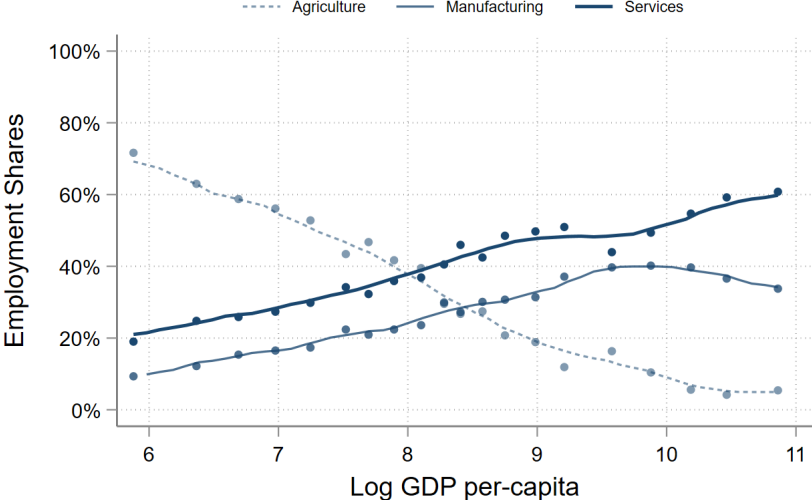


# Classification of Occupations

| Code | Occupation                                | Classification    | Sector | Details  |
|------|---|-------------------|--------|--|
| 1    | Officials and Managers                    | Professional      | M, S   | Senior Officials,  |
| 2    | Professionals                             | Professional      | M, S   | General and Technical  |
| 3    | Technicians                               | Professional      | M, S   | Managers   |
| 4    | Clerks                                    | Clerks            | M, S   | Secretaries, Librarians, Cashiers  |
| 5    | Service Workers and Shop and Market Sales | Services Workers  | M, S   | Travel, Housekeeping, Personal-care Workers, Shop and Market Sales and Service Workers                         |
| 6    | Skilled Agricultural and Fishery Workers  | Skilled Agri.     | A      | Farmers, Animal Producers, Forestry and Fishery Workers  |
| 7    | Crafts and Related Trades Workers         | Craft/Trade Wrkrs | M, S   | Builders, Painters, Blacksmiths, Electricians, Potters, Printers, Textile, Leather Workers                     |
| 8    | Plant and Machine Operators               | Plant & Machine   | M, S   | Plant and Machine Operators in Mining, Metal, Glass, Wood, Chemical, Rubber, Transportation                    |
| 9    | Elementary Occupations                    | Elementary        | A,M,S  | Street Vendors, Domestic Helpers, Porters, Doorkeepers, Garbage Collectors, Manual and Transportation Laborers |

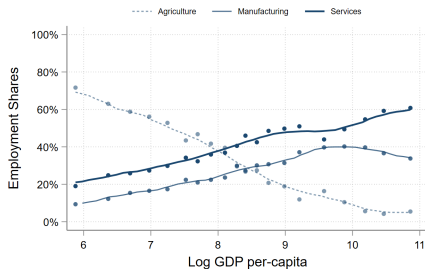
# Stylized Facts on Gender and Structural Transformation

# #1 Structural Transformation and Development

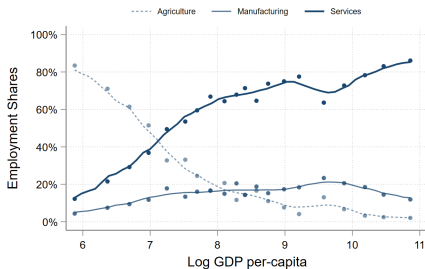


# #1 Struc. Trans. b/w Men and Women

Excluding home-work, i.e., conditional on LFP



(a) Men



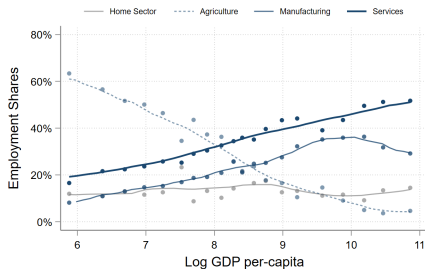
(b) Women

- Men leave Agriculture → enter Manufacturing & Services
- Women leave Agriculture → enter Services

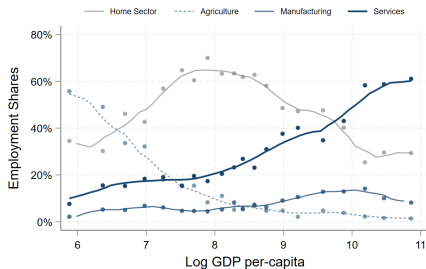
With Country FEs

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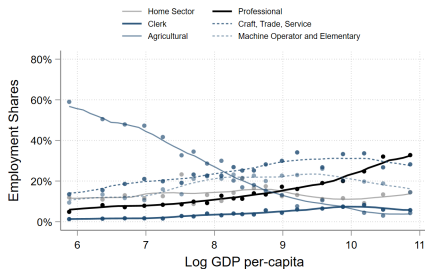
(b) Women

- **First:** Leave Agriculture → enter Services & Home Work (LFP ↓)
- **Then:** Leave Home Work → enter Services (LFP ↑)

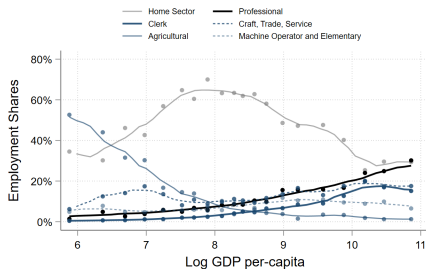
With Country FEs

# #2 Occ. Trans. b/w Men and Women

Including home-work



(a) Men



(b) Women

- Men leave Agriculture → Craft/Trade Wrks → Professionals
- Women leave Agriculture → Leave LF → Clerks and Professionals

With Country FEs

# Gender Employment and Wage Gaps Over Time

Use Core Sample countries, define X Gap:  $R_{oj}^X = X(oj|f)/X(oj|m)$

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## ● Employment Gaps: Across Countries

- ▶ FLFP: Women 8.5x more likely to stay at home in 1970s;  
3.5x more likely by 2010s
- ▶ Sectoral gaps ↓: esp. Services (0.63→0.87)
- ▶ Occ. gaps ↓: esp. Professional (0.41→0.86);  
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- ▶ General closing of wage gaps over time (slowest in India)
- ▶ Women earn 80c per 1\$ by men in 85% of occupations even today

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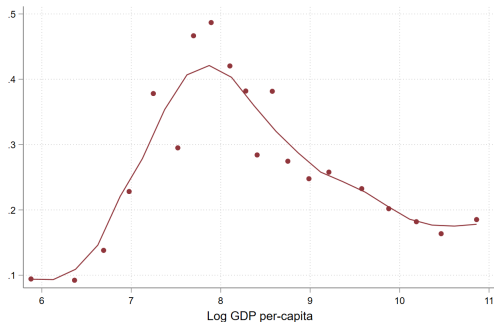
- ▶ General closing of wage gaps over time (slowest in India)
- ▶ Women earn 80c per 1\$ by men in 85% of occupations even today
- ▶ No correlation across development → gaps in LICs, MICs, HICs
- ▶ Little correlation b/w Emp and Wage Gaps:  
Eg: Professionals → highest wage gaps despite low emp. gaps

# Measuring Segregation: Theil Index

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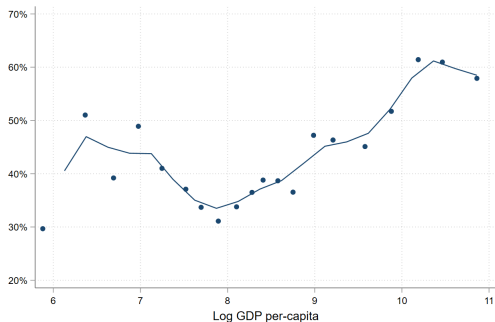
- LICs: agro-economies; high FLFP  $\Rightarrow$  low segregation
- MICs: men  $\rightarrow$  {M,S}; women  $\rightarrow$  {H,S}  $\Rightarrow$  more segregation
- HICs: men & women  $\rightarrow$  S  $\Rightarrow$  lower segregation

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- Can decompose “overall” Theil index into across sectors vs within sectors across occupations

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- LICs and MICs: 30-40% explained within sectors (across occs)
- HICs:  $\approx 60\%$  explained within sectors (across occs)

# Need for a Theoretical Framework

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- **Economic channels:**
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  - ▶ Changes in consumption baskets with income

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- **Non-Economic Channels:**
  - ▶ Wage discrimination
  - ▶ Gender norms/utility-costs of working in an occupation-sector
- Develop model of occupation-sector choice with these channels  
→ quantify gender barriers + impact on agg. outcomes

# Model

# Setup of the Economy

- Occupations and Sectors:
  - Agriculture, Manufacturing, “Home”, “Market” Services
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(Herrendorf et al., 2013; Alder et al., 2022; Comin et al., 2021; Fan et al., 2021)
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- $N_g$  individuals of gender  $g$  have ability  $z \sim F_g(z)$ :
  - ability dist.  $\approx$  schooling dist; returns to ability  $\kappa_{ojg}$
  - production: occupational mix ( $\gamma_{oj}$ ); sectoral productivity ( $B_j$ )

# Calibrating the Gender Barriers

- ① Gender norms/utility-cost calibrated to occupation choice data:  
(normalizing  $A_{home,g} = 0$ )

$$\Pr(oj|g) \propto \left[ \underbrace{V(l, p)}_{\text{Real Income}} - \underbrace{A_{ojg}}_{\text{LFP disutility}} \right]$$



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- ③ Model Calibration:

→ Minimal Restrictions: parameters at sector-occupation level, separately for each country-year

→ No a priori assumptions: “barriers” can be +ve, -ve or 0

# Results

# Gender Norms and Wage Discrimination

- $\Delta A$  Across Countries Across Countries
  - ▶ Large reductions in  $\Delta A$ , especially in services, professional occupations
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- Plausibility of Estimates:
  - corr. with occupational choices, wage gaps in data Bin scatter:  $A$  Country-specific Fit:  $A$  Bin scatter:  $\tau$  Country-specific Fit:  $\tau$
  - Women, Business & Law Indicators on workplace equality and gender norms across countries  $\Delta A$   $\tau$
  - sectoral expenditure shares across cties & over time Model vs Data

# How much do Gender Barriers Matter?

# How Important are Gender Barriers?

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- Aim is to help us understand which barriers are important + “mechanisms” at work, as opposed to “policies” per se

# Changes in Aggregate Output (Real Value-Added)

|     | Sectoral Output |       |          | Aggregate Output |
|-----|-----------------|-------|----------|------------------|
|     | Agri.           | Manf. | Services |                  |
|     | (1)             | (2)   | (3)      | (4)              |
| IND | 0.14            | 0.05  | 0.04     | 0.04             |
| IDN | 0.09            | 0.07  | 0.20     | 0.17             |
| BRA | 0.27            | 0.23  | 0.34     | 0.29             |
| MEX | 0.13            | 0.19  | 0.28     | 0.24             |
| CAN | 0.12            | 0.23  | 0.28     | 0.30             |
| USA | 0.12            | 0.19  | 0.25     | 0.25             |
| AVG | 0.15            | 0.16  | 0.23     | 0.21             |

- Gender barriers explain on average 20-30% of growth in these countries over time; India being the notable exception
- Driven by changes in FLFP, employment in manufacturing and services, clerk and professional occupations

# Concluding Thoughts

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- Document the gender side of structural transformation → large gender differences in occ-sector choices and wages
- Decompose these differences b/w economic and non-economic channels
- Policy simulations indicate that eliminating these barriers can meaningfully reallocate labor + explain 20-30% of economic growth experienced by these countries

# Thank you!

**Email: [ChiplunkarG@darden.virginia.edu](mailto:ChiplunkarG@darden.virginia.edu)**

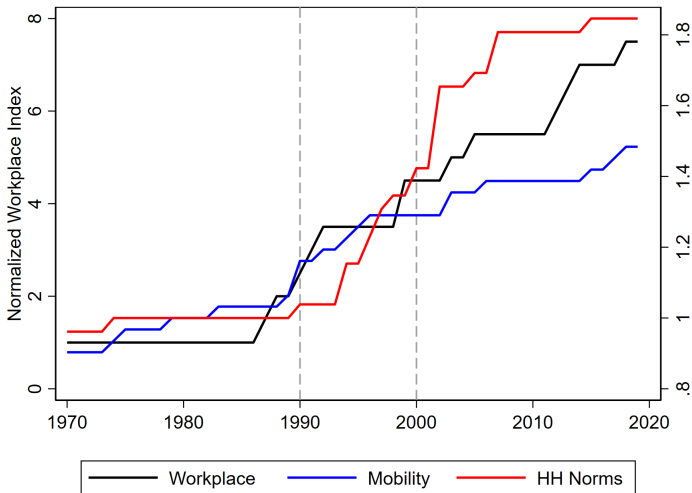


# Appendix

# WBL changes

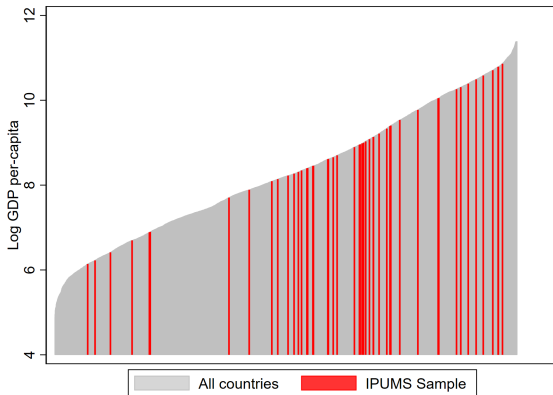
Motivation

Results

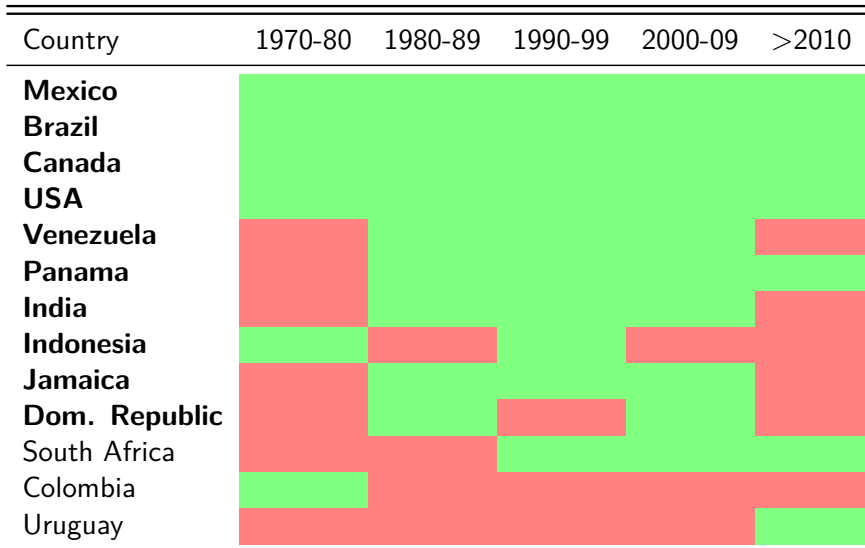


# Coverage

Back



| Country       | Years                              | GDP p.c.<br>(2010 \$) |
|---------------|------------------------------------|-----------------------|
| India         | 1983, 1987, 1993, 1999, 2004       | \$1,357               |
| Indonesia     | 1976, 1995                         | \$3,122               |
| Jamaica       | 1982, 1991, 2001                   | \$4,704               |
| Dom. Republic | 1981, 2002                         | \$5,555               |
| Colombia      | 1973                               | \$6,336               |
| South Africa  | 1996, 2001, 2007                   | \$7,328               |
| Panama        | 1980, 1990, 2000, 2010             | \$8,082               |
| Mexico        | 1970, 1990, 1995, 2000, 2010, 2015 | \$9,271               |
| Brazil        | 1970, 1980, 1991, 2000, 2010       | \$11,286              |
| Uruguay       | 2006                               | \$11,992              |
| Venezuela     | 1981, 1990, 2001                   | \$13,825              |
| Canada        | 1971, 1981, 2001, 2011             | \$48,464              |
| USA           | 1960, 1970, 1980, 1990, 2000-15    | \$48,467              |



# Sample details

[Back](#)

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## Hours worked:

- Use months, days and hours worked when available.
- Where individuals do not report them, take the *ojgct* average
- When survey does not ask for them, set equal to 40/week and 52 weeks/year



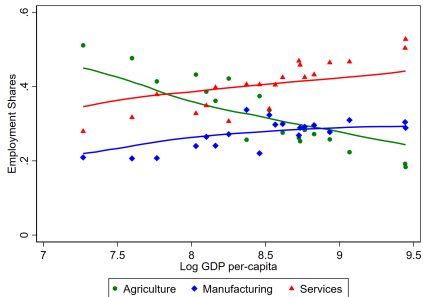
# Coverage Across Countries Back

| Country   | Years                                    | Real GDP p.c.<br>in 2005 |
|-----------|--|--------------------------|
| India     | 1983, 1987, 1993, 1999, 2004, 2010, 2018 | \$947                    |
| Indonesia | 1976, 1995, 2010, 2018                   | \$2,174                  |
| Brazil    | 1970, 1980, 1991, 2000, 2010             | \$7,325                  |
| Mexico    | 1970, 1990, 1995, 2000, 2010, 2015       | \$8,925                  |
| Canada    | 1971, 1981, 1991, 2001, 2011             | \$40,989                 |
| USA       | 1970, 1980, 1990, 2000, 2005, 2010       | \$52,789                 |

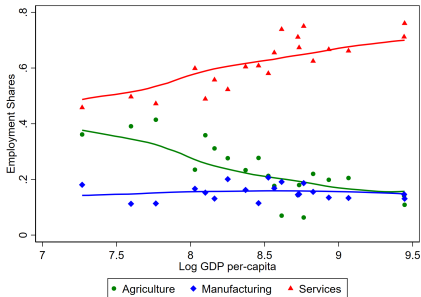
- Good coverage across stages of development
  - Rich countries (HICs): USA, Canada
  - Middle-income (MICs): Brazil, Mexico
  - Low-income (LICs): India, Indonesia
- Covers around a third of the world's population in 2010

# #1 Struc. Trans. b/w Men and Women

Excluding home-work, i.e., conditional on LFP with Country FE



(a) Men

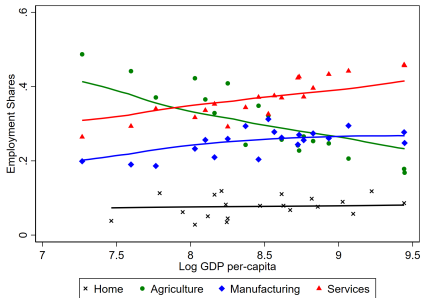


(b) Women

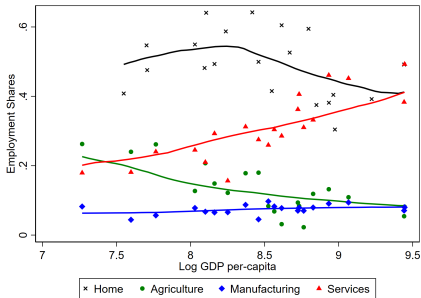
Back

# #1 Struc. Trans. b/w Men and Women

Including home-work with Country FE



(a) Men

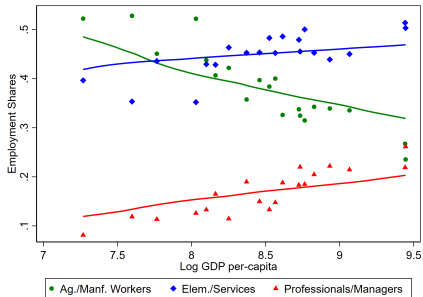


(b) Women

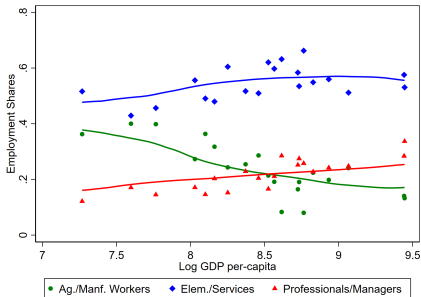
Back

# #1 Occ. Trans. b/w Men and Women

Excluding home-work, i.e., conditional on LFP with Country FE



(a) Men

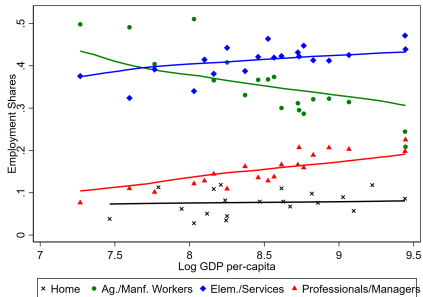


(b) Women

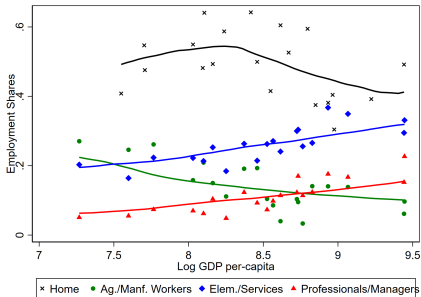
Back

# #1 Occ. Trans. b/w Men and Women

Including home-work with Country FE



(a) Men



(b) Women

Back

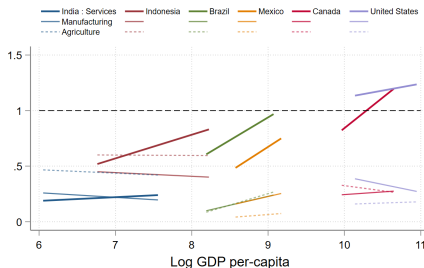
# #3 Gender Occupational Choice Gap Over Time

Calculate  $R_{oj}^{2000-15} / R_{oj}^{1970-85} - 1$

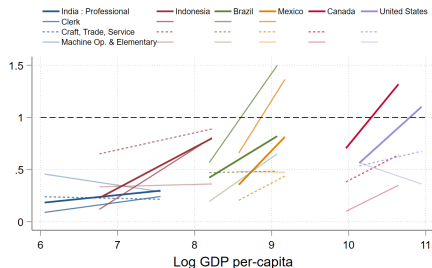
Heat Map

Across Countries

Back



(a) Across Industries



(b) Across Occupations

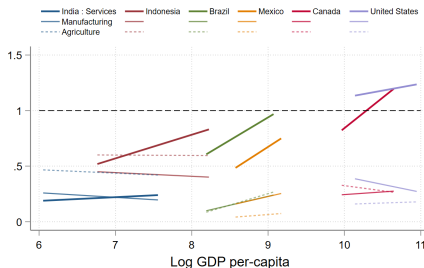
# #3 Gender Occupational Choice Gap Over Time

Calculate  $R_{oj}^{2000-15} / R_{oj}^{1970-85} - 1$

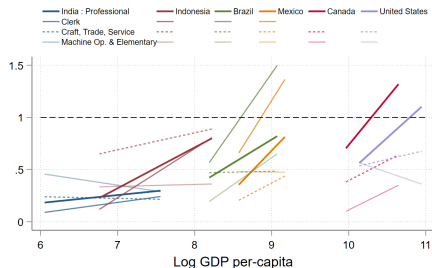
Heat Map

Across Countries

Back



(a) Across Industries



(b) Across Occupations

- FLFP increase (esp. in IDN, MEX, BRA)  $\Rightarrow$  across all ind-occ over time
- **Sectors:** Increase in services across countries; manf. in BRA and MEX
- **Occupations:** largest gains in Prof./Managerial jobs

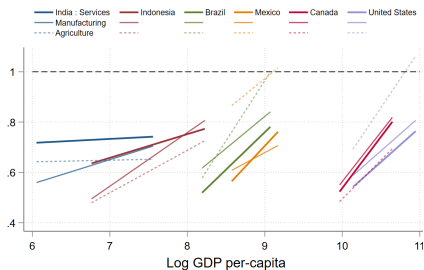
# #4 Gender Wage Gap Over Time

Calculate  $R_{oj}^{2005-10} / R_{oj}^{1970-75} - 1$

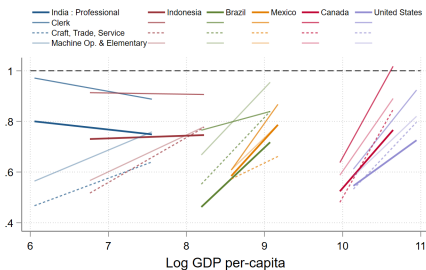
Heat Map

Across Countries

Back



(a) Across Industries



(b) Across Occupations

- Wage gaps  $\downarrow$  across all countries, except IND
- Gaps still persist in HICs (0.85-0.95)
- **Sectors:** gains across all sectors
- **Occupations:** gains across all; Prof/Mang. still with largest gaps



## #2 Gender Occupational Choice Gap Over Time

Calculate  $R_{oj}^{2000-15} / R_{oj}^{1970-75} - 1$  [Back](#)

|                       | 1970-75 |      |      | Annualized Change |       |       |
|-----------------------|---------|------|------|-------------------|-------|-------|
| Prof./Managers        |         | 0.10 | 0.49 |                   | 0.56  | 1.06  |
| Clerks                |         | 0.73 | 1.38 |                   | 1.39  | 1.11  |
| Service Wrkrs         |         | 0.24 | 1.36 |                   | 0.44  | -0.76 |
| Crafts & Trade Wrkrs  |         | 0.19 | 0.18 |                   | -0.05 | 0.08  |
| Elem. Occ.            | 0.20    | 0.12 | 0.70 | 1.47              | 1.10  | 0.52  |
| Plant & Mach. Wrkrs   |         | 0.37 | 0.07 |                   | -0.36 | 0.07  |
| Agri. & Fishing Wrkrs | 0.27    |      | 0.15 | 0.28              |       | 0.01  |
|                       | A       | M    | S    | A                 | M     | S     |

## #2 Gender Wage Choice Gap Over Time

Calculate  $R_{oj}^{2000-15} / R_{oj}^{1970-75} - 1$  [Back](#)

|                       | 1970-75 |      |      | Annualized Change |       |      |
|-----------------------|---------|------|------|-------------------|-------|------|
| Prof./Managers        |         | 0.67 | 0.60 |                   | 0.45  | 0.46 |
| Clerks                |         | 0.83 | 0.85 |                   | 0.15  | 0.09 |
| Service Wrkrs         |         | 0.60 | 0.56 |                   | 1.34  | 0.82 |
| Crafts & Trade Wrkrs  |         | 0.58 | 0.67 |                   | 0.61  | 0.95 |
| Elem. Occ.            | 0.84    | 0.66 | 0.51 | 0.64              | 0.78  | 1.20 |
| Plant & Mach. Wrkrs   |         | 0.81 | 0.73 |                   | -0.47 | 1.16 |
| Agri. & Fishing Wrkrs | 0.93    |      | 0.71 | -0.09             |       | 1.63 |
|                       | A       | M    | S    | A                 | M     | S    |

# #2 Gender Employment Gaps Across Countries Back

|                     | 1970-75 | 2005-10 | 1970-75     | 2005-10 | 1970-75        | 2005-10 | 1970-75     | 2005-10 |
|---------------------|---------|---------|-------------|---------|----------------|---------|-------------|---------|
|                     | (1)     | (2)     | (3)         | (4)     | (5)            | (6)     | (7)         | (8)     |
| <b>Sectors:</b>     | Home    |         | Agriculture |         | Manf.          |         | Services    |         |
| IND                 | 13.61   | 12.87   | 0.47        | 0.63    | 0.26           | 0.28    | 0.20        | 0.23    |
| IDN                 | 15.22   | 6.53    | 0.60        | 0.55    | 0.53           | 0.37    | 0.59        | 0.74    |
| BRA                 | 22.88   | 1.99    | 0.09        | 0.42    | 0.10           | 0.22    | 1.16        | 1.22    |
| MEX                 | 52.43   | 8.72    | 0.04        | 0.07    | 0.15           | 0.28    | 0.60        | 0.89    |
| CAN                 | 5.47    | 1.56    | 0.35        | 0.38    | 0.31           | 0.35    | 1.15        | 1.34    |
| USA                 | 6.96    | 1.60    | 0.19        | 0.23    | 0.56           | 0.51    | 1.72        | 1.50    |
| AVG                 | 19.43   | 5.54    | 0.29        | 0.38    | 0.32           | 0.34    | 0.90        | 0.99    |
| <b>Occupations:</b> |         |         | Ag./Manf.   |         | Elem./Services |         | Prof./Mngr. |         |
| IND                 |         |         | 0.39        | 0.59    | 0.41           | 0.45    | 0.18        | 0.23    |
| IDN                 |         |         | 0.60        | 0.52    | 0.64           | 0.75    | 0.23        | 0.54    |
| BRA                 |         |         | 0.08        | 0.40    | 1.03           | 0.94    | 0.44        | 0.93    |
| MEX                 |         |         | 0.04        | 0.09    | 0.48           | 0.68    | 0.34        | 0.70    |
| CAN                 |         |         | 0.23        | 0.24    | 0.98           | 1.01    | 0.76        | 1.35    |
| USA                 |         |         | 0.54        | 0.34    | 1.79           | 1.41    | 0.62        | 1.09    |
| AVG                 |         |         | 0.31        | 0.36    | 0.89           | 0.87    | 0.43        | 0.81    |

# #2 Gender Wage Gaps Across Countries

[Back](#)

|                 | 1970-75     | 2005-10 | 1970-75        | 2005-10 | 1970-75     | 2005-10 |
|-----------------|-------------|---------|----------------|---------|-------------|---------|
|                 | (1)         | (2)     | (3)            | (4)     | (5)         | (6)     |
| <b>Sectors:</b> | Agriculture |         | Manf.          |         | Services    |         |
| IND             | 0.65        | 0.49    | 0.42           | 0.51    | 0.66        | 0.66    |
| IDN             | 0.48        | 0.76    | 0.44           | 0.69    | 0.60        | 0.71    |
| BRA             | 0.58        | 0.99    | 0.64           | 0.87    | 0.51        | 0.84    |
| MEX             | 1.06        | 0.90    | 0.56           | 0.70    | 0.55        | 0.95    |
| CAN             | 0.50        | 0.67    | 0.57           | 0.88    | 0.53        | 0.87    |
| USA             | 0.68        | 0.83    | 0.60           | 0.79    | 0.54        | 0.81    |
| AVG             | 0.66        | 0.77    | 0.54           | 0.74    | 0.57        | 0.81    |
| <b>Occs:</b>    | Ag./Manf.   |         | Elem./Services |         | Prof./Mngr. |         |
| IND             | 0.63        | 0.44    | 0.57           | 0.58    | 0.79        | 0.70    |
| IDN             | 0.48        | 0.77    | 0.52           | 0.63    | 0.73        | 0.84    |
| BRA             | 0.60        | 0.98    | 0.56           | 0.89    | 0.46        | 0.72    |
| MEX             | 0.96        | 0.89    | 0.57           | 0.85    | 0.60        | 0.80    |
| CAN             | 0.59        | 0.76    | 0.53           | 0.90    | 0.52        | 0.77    |
| USA             | 0.59        | 0.77    | 0.56           | 0.84    | 0.55        | 0.74    |
| AVG             | 0.64        | 0.77    | 0.55           | 0.78    | 0.61        | 0.76    |

## #2 Gender Wage Gaps Decrease Over Time and Dev. Back

- Regress wage ratio on log of real GDP pc and fixed effects:

$$\text{wage-ratio}_{ojct} = \alpha + \beta_{HIC} HIC_c \times \text{Post}_t + \beta_{LMIC} LMIC_c \times \text{Post}_t + \text{FE} + \varepsilon_{ojct}$$

- Gender wage ratio increases in both LMIC and HIC ( $\hat{\beta} > 0$ ):

- Within countries over time (+ ctry FE)
- Within occ-sector pairs (+ occ-sector FE)
- Within country-occ-sector pairs (+ ctry-occ-sector FE)

- Results hold for different wage gap measures:

1. Raw avg. wage ratio:  $\beta_{ojct}^R = \ln \overline{\text{wage}}_{ojct}^f - \ln \overline{\text{wage}}_{ojct}^m$

2. Unadjusted:  $\ln w_{it} = \alpha_t + \alpha_{oj} + \beta_{oj}^U \mathbf{1}_{oj} \times \text{Female}_i + \delta X_i + \varepsilon_i$

3. Adjusted:  $\ln w_{it} = \alpha_t + \alpha_{oj} + \beta_{oj}^A \mathbf{1}_{oj} \times \text{Female}_i + \gamma \text{School}_i + \delta X_i + \varepsilon_i$

## #2 Gender Wage Gaps Across Countries Back

# PIGL Preferences: Income Effects and Aggregation

Back

- Individual expenditure share on sector  $j = \{A, M, S\}$  :

$$\varphi_j(I_{ojg}(z), p) = \omega_j + \nu_j \left( \frac{I_{ojg}(z)}{P} \right)^{-\eta}$$

- if  $\nu_j < 0$ ,  $\varphi_j \uparrow$  in income (services);  $\sum_j \nu_j = 0$ ;  $\sum_j \omega_j = 1$

# PIGL Preferences: Income Effects and Aggregation

Back

- Individual expenditure share on sector  $j = \{A, M, S\}$  :

$$\varphi_j(I_{ojg}(z), p) = \omega_j + \nu_j \left( \frac{I_{ojg}(z)}{P} \right)^{-\eta}$$

- if  $\nu_j < 0$ ,  $\varphi_j \uparrow$  in income (services);  $\sum_j \nu_j = 0$ ;  $\sum_j \omega_j = 1$

- Aggregate expenditure share on sector  $j$ :

$$\Phi_j = \omega_j + \nu_j \sum_{ojg} \phi_{ojg} g(z^{k_{ojg}}) \times \left( \frac{\overline{I_{ojg}}}{P} \right)^{-\eta}$$

- ▶  $\overline{I_{ojg}}$ : average income of a 'representative worker' in  $ojg$
- ▶  $g(z^{k_{ojg}})$ : adjustment factor for sorting in  $ojg$
- ▶  $\phi_{ojg}$ : share of income earned by all workers in  $ojg$



# CES Preferences for “Home” and “Market” Services

- Home and Market Services are imperfect substitutes:

$$\begin{aligned} \min \quad & \sum_{j=\{hs,ms\}} p_j C_j \\ \text{s.t.} \quad & C_s = \left[ \sum_{j=\{hs,ms\}} \alpha_j^{\frac{1}{\eta_s}} C_j^{\frac{\eta_s-1}{\eta_s}} \right]^{\frac{\eta_s}{\eta_s-1}} \end{aligned}$$

- Expenditure share on  $j = \{hs, ms\}$  given by:

$$\varphi_j = \frac{\alpha_j p_j^{1-\eta_s}}{P_s^{1-\eta_s}} \times \varphi_s$$

Back

# Occupation and Sector Choice: Equations

- Indirect utility from consumption:  $V(I_{ojg}, p)$  [Back](#)

$$V(I_{ojg}, p) = \frac{1}{\eta} \left( \frac{I_{ojgz}(z)}{P} \right)^\eta - D(p)$$

- Utility of workers with gender  $g$  and ability  $z$  who choose  $oj$ :

$$U_{ojg}^i(z) = V(I_{ojg}^i(z), p) + A_{ojg} + \varepsilon_{oj}^i$$

- Share of workers of gender  $g$  and ability  $z$  who choose  $oj$ :

$$\Pr(oj|g, z) = \frac{\exp \left[ \frac{1}{\sigma_\varepsilon} V(I_{ojg}(z), p) + \frac{1}{\sigma_\varepsilon} A_{ojg} \right]}{\sum_{j'} \sum_{o'} \exp \left[ \frac{1}{\sigma_\varepsilon} V(I_{o'j'g}(z), p) + \frac{1}{\sigma_\varepsilon} A_{o'j'g} \right]}$$

# Estimation Algorithm: Iteration over 3 Envelopes

Condition on: return to ability  $\kappa_{ojg}$ , preference and distributional params

- Guess PIGL parameters  $\omega_j$  and  $\nu_j$  (loop 1)
- Guess prices  $p_j$  (loop 2)
- Guess gender-specific wage rates  $w_{ojg}$  and amenities  $A_{ojg}$  (loop 3)
  - Solve for occupational choices, human capital, & income in model
  - Update  $w_{ojg}$  from avg wage data and model-implied avg HC by  $ojg$
  - Update  $A_{ojg}$  from occ. choice data and model-implied utility  $V(I, p)$
- Update prices  $p_j$  from good market clearing:  $p_j^{new} = (\Phi_j \times I) / Y_j$ 
  - Compute sector demand and supply in model (given  $HC_{oj}$ )
- Update PIGL params from relation btw demand shares and real inc.
  - Model implies:  $\Phi_j = \omega_j + \nu_j \times g(I_{ojgz}, P, \Pr(oj|g, z))$
  - Update  $(\omega_j, \nu_j)$  for each sector  $j$  by regressing observed demand shares  $\Phi_j$  across countries and time on an intercept (implies  $\omega_j^{new}$ ) and on model-implied “real income”  $g(.)$  (implies  $\nu_j^{new}$ )

⇒ Iterate on all guesses until convergence Back

# Gender Wage Discrimination ( $\tau_{ojg}$ ) and Wage Gaps

Back

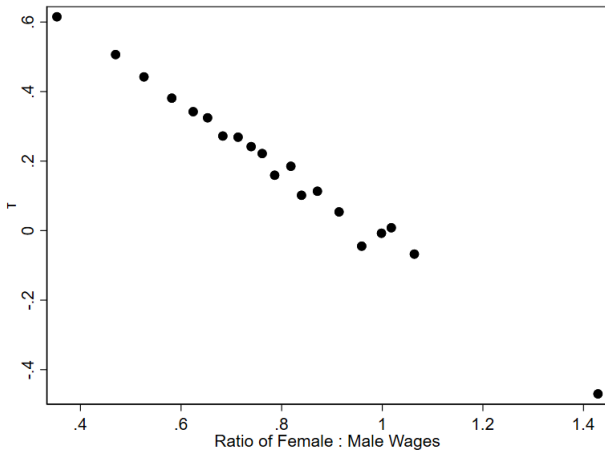


Figure: Corr.  $\tau$  and wage ratios

# Correlating Gender Wage Discrimination $\tau_{oj}$ with "World, Business, and the Law" Indicators Back

Estimate:  $\tau_{ojct} = \alpha_c + \alpha_t + \alpha_{oj} + \beta \text{WBL Measure}_{ct} + \gamma X_{ct} + \varepsilon_{ojct}$

|  | Coefficient | S.E.   | p-value |
|--|-------------|--------|---------|
|  | (1)         | (2)    | (3)     |
| <b>Panel A. Gender Equality in Mobility and LFP</b>                  |             |        |         |
| Index of Mobility/LFP  | -0.07       | (0.02) | 0.08*   |
| Can a woman get a job in the same way as a man?                      | -0.04       | (0.04) | 0.43    |
| Can a woman work at night in the same way as a man?                  | -0.04       | (0.02) | 0.20    |
| Can a woman work in a job deemed dangerous in the same way as a man? | -0.07       | (0.01) | 0.04**  |
| Can a woman work in an industrial job in the same way as a man?      | -0.07       | (0.01) | 0.04**  |
| <b>Panel B. Gender Equality at the Workplace</b>                     |             |        |         |
| Index of Workplace Equality  | 0.02        | (0.03) | 0.55    |
| Does the law prohibit discrimination in employment based on gender?  | 0.01        | (0.01) | 0.55    |
| Ln(1+Paid Maternity Days Leave)                                      | -0.03       | (0.01) | 0.03**  |
| Observations   | 510         |        |         |

# Correlation betw. Occupation Choices & Norms/LFP-Cost

Back



Figure: Corr. Gender Norms/LFP Cost A and Occupational Choices

# Correlating Norms/LFP-cost $A_{ojg}$ with "World, Business, and the Law" Indicators Back

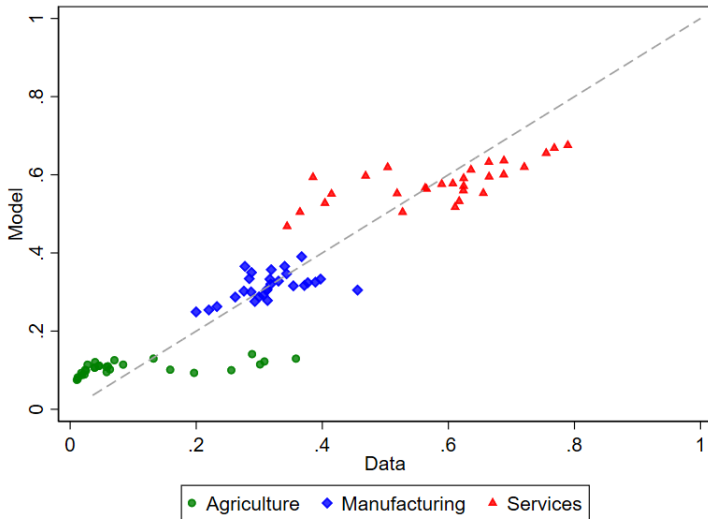
Define:  $\Delta A_{ojct} = A_{ojfct} - A_{ojmct}$  and standardize to mean 0, std dev 1

Estimate:  $\Delta \tilde{A}_{ojct} = \alpha_c + \alpha_t + \alpha_{oj} + \beta \text{WBL Measure}_{ct} + \gamma X_{ct} + \varepsilon_{ojct}$

|  | Coefficient | S.E.   | p-value |
|--|-------------|--------|---------|
|  | (1)         | (2)    | (3)     |
| <b>Panel A. Gender Equality in Mobility and LFP</b>                  |             |        |         |
| Index of Mobility/LFP  | -1.15       | (0.18) | 0.02**  |
| Can a woman get a job in the same way as a man?                      | -0.66       | (0.27) | 0.13    |
| Can a woman work at night in the same way as a man?                  | -1.26       | (0.05) | 0.00*** |
| Can a woman work in a job deemed dangerous in the same way as a man? | -0.96       | (0.15) | 0.02**  |
| Can a woman work in an industrial job in the same way as a man?      | -0.87       | (0.22) | 0.06*   |
| <b>Panel B. Household Norms</b>                                      |             |        |         |
| Index of Household Norms   | -0.65       | (0.04) | 0.00*** |
| Can a woman be head of household in the same way as a man?           | -1.01       | (0.04) | 0.00*** |
| Is there legislation specifically addressing domestic violence?      | 0.34        | (0.15) | 0.15    |
| Does a woman have the same rights to remarry as a man?               | -0.11       | (0.14) | 0.51    |
| Do men and women have equal ownership rights to immovable property?  | -1.01       | (0.04) | 0.00*** |
| Ln(1+Paid Maternity Days Leave)                                      | -0.09       | (0.07) | 0.34    |
| Observations   | 510         |        |         |

# VA Shares Across Countries

Back

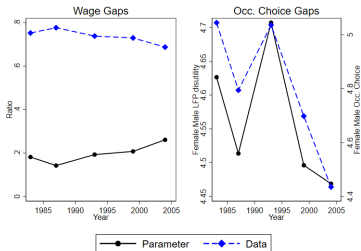




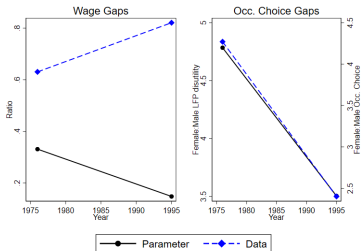
# Co-Movements Across Specific Countries over Time

Back

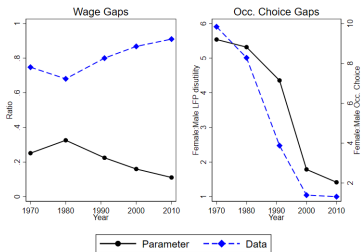
IND



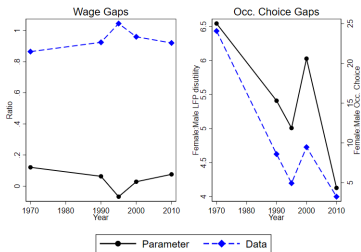
IDN



BRA



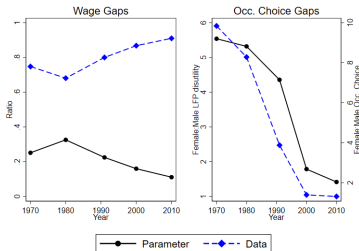
MEX



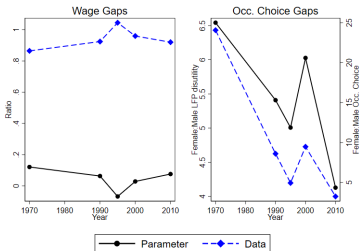
# Co-Movements Across Specific Countries over Time

Back

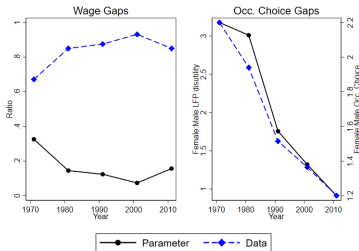
BRA



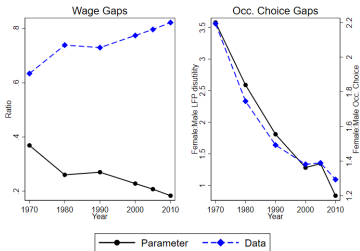
MEX



CAN



USA



# Changes in $\Delta A$

Back

|                       | 1970-75 |      |       | Annualized Change |       |       |
|-----------------------|---------|------|-------|-------------------|-------|-------|
| Professionals         |         | 9.64 | 7.51  | -1.59             |       | -2.22 |
| Clerks                |         | 7.99 | 7.72  | -1.93             |       | -2.38 |
| Service Wrkrs         |         | 7.63 | 4.51  | -1.37             |       | -1.85 |
| Crafts & Trade Wrkrs  |         | 7.96 | 8.07  | -0.88             |       | -0.87 |
| Elem. Occ.            | 10.03   | 9.80 | 6.66  | -1.54             | -1.04 | -1.67 |
| Plant & Mach. Wrkrs   |         | 9.04 | 12.23 | -1.12             |       | -0.81 |
| Agri. & Fishing Wrkrs | 7.82    |      | 9.48  | -1.19             |       | -0.82 |
|                       | A       | M    | S     | A                 | M     | S     |

# $\tau$ Over Time

Back

|                       | 1970-75 |      |      | Annualized Change |       |       |
|-----------------------|---------|------|------|-------------------|-------|-------|
|                       | A       | M    | S    | A                 | M     | S     |
| Professionals         |         | 0.39 | 0.41 | -0.32             |       | -0.45 |
| Clerks                |         | 0.22 | 0.32 | -0.31             |       | -0.47 |
| Service Wrkrs         |         | 0.47 | 0.54 | -0.80             |       | -0.82 |
| Crafts & Trade Wrkrs  |         | 0.46 | 0.44 | -0.54             |       | -1.02 |
| Elem. Occ.            | 0.16    | 0.36 | 0.49 | 0.02              | -0.61 | -0.95 |
| Plant & Mach. Wrkrs   |         | 0.39 | 0.43 | -0.37             |       | -1.30 |
| Agri. & Fishing Wrkrs | 0.40    |      | 0.44 | -0.42             |       | -1.05 |

# △ A Across Countries Back

|                 | 1970-75     | 2005-10 | 1970-75        | 2005-10 | 1970-75     | 2005-10 |
|-----------------|-------------|---------|----------------|---------|-------------|---------|
|                 | (1)         | (2)     | (3)            | (4)     | (5)         | (6)     |
| <b>Sectors:</b> | Agriculture |         | Manf.          |         | Services    |         |
| IND             | 6.59        | 5.70    | 7.23           | 6.99    | 8.65        | 7.98    |
| IDN             | 6.21        | 4.78    | 6.45           | 5.57    | 6.81        | 4.63    |
| BRA             | 10.92       | 3.09    | 10.63          | 5.05    | 7.28        | 1.57    |
| MEX             | 14.53       | 9.62    | 11.44          | 6.88    | 9.68        | 5.23    |
| CAN             | 5.14        | 2.17    | 6.13           | 4.18    | 3.70        | 0.70    |
| USA             | 7.38        | 3.38    | 5.98           | 3.17    | 3.20        | 0.41    |
| AVG             | 8.46        | 4.79    | 7.98           | 5.31    | 6.55        | 3.42    |
| <b>Occs:</b>    | Ag./Manf.   |         | Elem./Services |         | Prof./Mngr. |         |
| IDN             | 6.35        | 5.11    | 6.14           | 4.03    | 8.16        | 4.73    |
| BRA             | 11.21       | 3.34    | 8.06           | 2.98    | 7.52        | 1.24    |
| MEX             | 14.31       | 9.52    | 10.17          | 5.72    | 9.88        | 4.91    |
| CAN             | 7.39        | 3.25    | 4.24           | 2.04    | 3.76        | 0.11    |
| USA             | 5.06        | 2.79    | 3.83           | 1.28    | 4.69        | 0.61    |
| AVG             | 8.55        | 4.99    | 6.57           | 3.78    | 7.08        | 3.19    |

# T Across Countries Back

|                 | 1970-75     | 2005-10 | 1970-75        | 2005-10 | 1970-75     | 2005-10 |
|-----------------|-------------|---------|----------------|---------|-------------|---------|
|                 | (1)         | (2)     | (3)            | (4)     | (5)         | (6)     |
| <b>Sectors:</b> | Agriculture |         | Manf.          |         | Services    |         |
| IND             | 0.30        | 0.47    | 0.47           | 0.42    | 0.08        | 0.19    |
| IDN             | 0.49        | 0.20    | 0.50           | 0.27    | 0.31        | 0.24    |
| BRA             | 0.42        | 0.05    | 0.36           | 0.16    | 0.48        | 0.19    |
| MEX             | -0.09       | 0.09    | 0.42           | 0.29    | 0.43        | 0.05    |
| CAN             | 0.50        | 0.33    | 0.43           | 0.13    | 0.47        | 0.14    |
| USA             | 0.33        | 0.17    | 0.41           | 0.22    | 0.46        | 0.20    |
| AVG             | 0.33        | 0.22    | 0.43           | 0.25    | 0.37        | 0.17    |
| <b>Occs:</b>    | Ag./Manf.   |         | Elem./Services |         | Prof./Mngr. |         |
| IND             | 0.31        | 0.51    | 0.37           | 0.37    | -0.25       | 0.06    |
| IDN             | 0.48        | 0.19    | 0.41           | 0.32    | 0.14        | 0.11    |
| BRA             | 0.40        | 0.06    | 0.44           | 0.14    | 0.53        | 0.32    |
| MEX             | 0.01        | 0.10    | 0.41           | 0.14    | 0.36        | 0.19    |
| CAN             | 0.40        | 0.25    | 0.47           | 0.10    | 0.47        | 0.24    |
| USA             | 0.41        | 0.23    | 0.44           | 0.17    | 0.46        | 0.27    |
| AVG             | 0.34        | 0.22    | 0.42           | 0.21    | 0.28        | 0.20    |

# Changes in Gender Barriers in LMICs and HICs Over Time

Discr.  $\tau$

Norms/Pref. A

$$Y_{ojct} = \alpha + \beta_{HIC} \text{Post}_t \times HIC_c + \beta_{LIC} \text{Post}_t \times LIC_c + \gamma HIC_c + \varepsilon_{ojct}$$

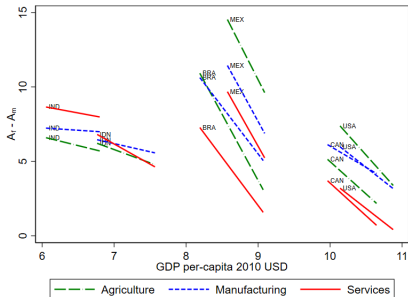
|                            | $\tau_{oj}$          |                      |                      | Diff. LFP Costs      |                      |                      |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                            | (1)                  | (2)                  | (3)                  | (4)                  | (5)                  | (6)                  |
| 1(2000-15) $\times$ HIC    | -0.179***<br>(0.048) | -0.179***<br>(0.049) | -0.179***<br>(0.051) | -3.982***<br>(0.690) | -3.982***<br>(0.699) | -3.982***<br>(0.481) |
| 1(2000-15) $\times$ LMIC   | -0.025<br>(0.033)    | -0.030<br>(0.036)    | -0.030<br>(0.033)    | -2.545***<br>(0.430) | -2.784***<br>(0.404) | -2.784***<br>(0.303) |
| HIC Mean—Post=0            | 0.27                 | 0.27                 | 0.27                 | 6.48                 | 6.48                 | 6.48                 |
| LMIC Mean—Post=0           | 0.17                 | 0.17                 | 0.17                 | 8.25                 | 8.25                 | 8.25                 |
| p-val: $\beta_1 = \beta_2$ | 0.01                 | 0.01                 | 0.01                 | 0.08                 | 0.14                 | 0.04                 |
| N                          | 300                  | 300                  | 300                  | 300                  | 300                  | 300                  |
| R <sup>2</sup>             | 0.04                 | 0.09                 | 0.26                 | 0.25                 | 0.41                 | 0.71                 |
| Country FE                 | No                   | Yes                  | Yes                  | No                   | Yes                  | Yes                  |
| Sector-Occ FE              | No                   | No                   | Yes                  | No                   | No                   | Yes                  |

# △ A Across Countries

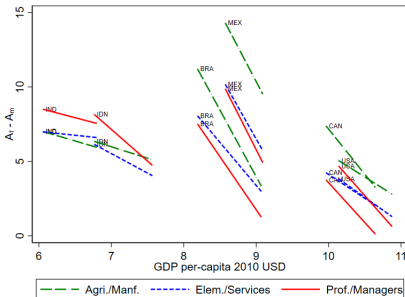
Heat Map

Across Countries

Back



(a) Across Sectors



(b) Across Occupations

- Decrease across all countries and all sectors-occupations
- Largest changes in MICs and HICs
- Gaps still larger in LICs and MICs as compared to HICs

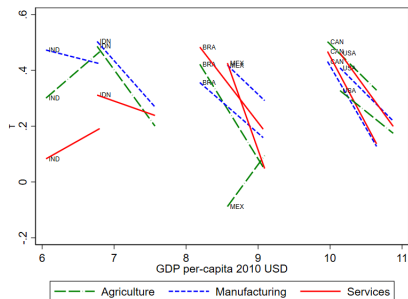


# $\tau$ Across Countries

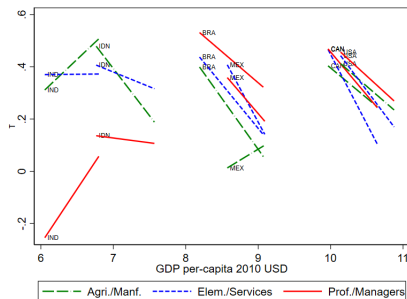
Heat Map

Across Countries

Back



(a) Across Sectors



(b) Across Occupations

- Decrease across all countries (except IND) and all sectors
- Largest reductions in MICs and HICs
- Gaps are similar in HICs and MICs, higher in LICs

# $\Delta A$ and $\tau$ Over Time

|                       | Gender Norms |         |         | Wage Penalty |         |     |
|-----------------------|--------------|---------|---------|--------------|---------|-----|
|                       | 1970-75      | 2005-10 | Change  | 1970-75      | 2005-10 | Ch  |
|                       | (1)          | (2)     | (3)     | (4)          | (5)     | (6) |
| Agriculture           | -103.68      | -336.21 | -551.78 | 2.28         | 0.48    | -4  |
| Manufacturing         | -78.10       | -56.94  | 52.88   | 2.19         | 1.03    | -2  |
| Services              | -31.88       | -15.43  | 40.16   | 0.92         | 0.58    | -0  |
| Professional          | 5.91         | 2.24    | -8.96   | 0.29         | 0.27    | -0  |
| Clerk                 | 5.22         | 1.88    | -8.24   | 0.15         | 0.09    | -0  |
| Craft, Trade, Service | 6.06         | 4.08    | -4.74   | 0.46         | 0.24    | -0  |
| Agricultural          | 7.49         | 4.86    | -6.36   | 0.35         | 0.14    | -0  |
| Machine Op. and Elem. | 7.04         | 4.31    | -6.73   | 0.38         | 0.17    | -0  |

$\Delta A$  Across Countries

$\tau$  Across Countries

# Gender Gap in Returns to Ability ( $\kappa_{ojg}$ ) Back

[Figures/Estimation/cdf\\_kappa.png](#)

Figure: Ratio of  $\kappa_{ojf}/\kappa_{ojm}$

- Significant improvements across decades, especially when  $\kappa_{ojf}/\kappa_{ojm} < 1$ .

# Changes in WBL [Back](#)

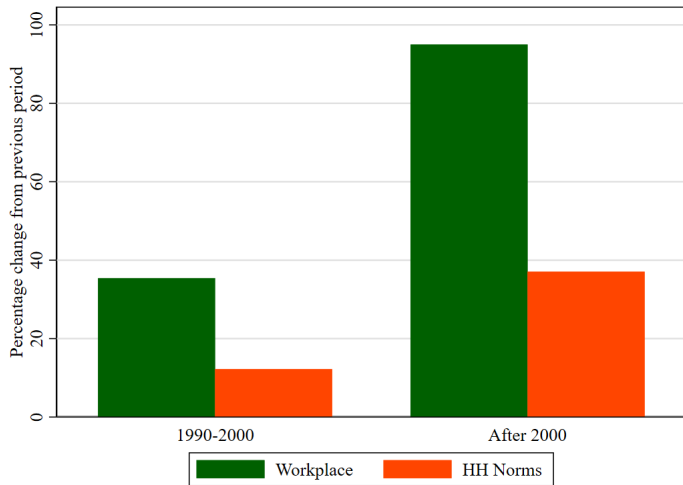


Figure: Changes in WBL

# Changes in FLFPR and Employment Over Time

|  | Baseline | Fixed $\tau$ | Fixed $\Delta A$ | Fix Both |
|--|----------|--------------|------------------|----------|
|  | (1)      | (2)          | (3)              | (4)      |
| <b>Panel A: Changes in Sectoral Employment</b>     |          |              |                  |          |
| LFPR   | 0.38     | 0.32         | -0.39            | -0.45    |
| Agriculture  | -0.13    | -0.13        | -0.26            | -0.27    |
| Manf.  | 0.04     | 0.03         | -0.04            | -0.05    |
| Services   | 0.47     | 0.43         | -0.09            | -0.13    |
| <b>Panel B: Changes in Occupational Employment</b> |          |              |                  |          |
| Ag./Manf. Workers                                  | -0.14    | -0.15        | -0.28            | -0.28    |
| Elem. Workers.                                     | 0.19     | 0.15         | -0.16            | -0.20    |
| Prof./Managers                                     | 0.33     | 0.32         | 0.04             | 0.03     |

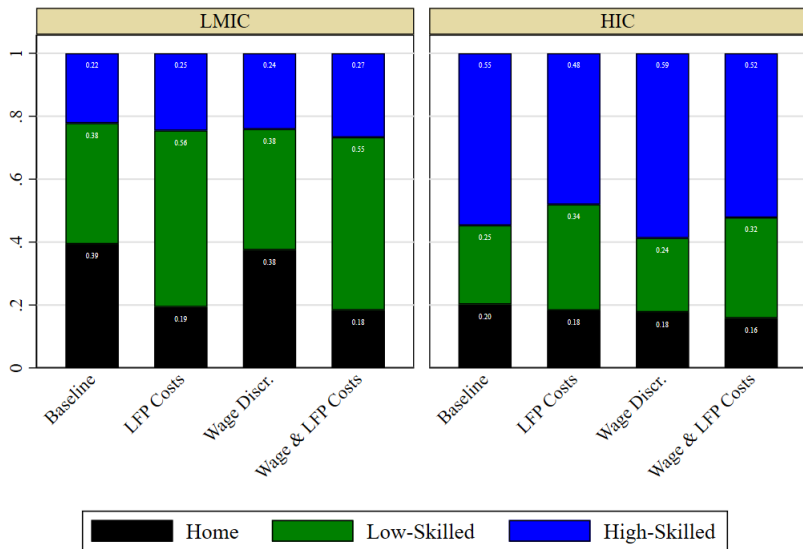
Back

# Changes in Male LFPR and Employment Over Time

|  | Baseline | Fixed $\tau$ | Fixed $\Delta A$ | Fix Both |
|--|----------|--------------|------------------|----------|
|  | (1)      | (2)          | (3)              | (4)      |
| <b>Panel A: Changes in Sectoral Employment</b>     |          |              |                  |          |
| LFPR   | -0.20    | -0.19        | -0.17            | -0.16    |
| Agriculture  | -0.60    | -0.60        | -0.59            | -0.59    |
| Manf.  | 0.07     | 0.08         | 0.07             | 0.07     |
| Services   | 0.33     | 0.33         | 0.36             | 0.36     |
| <b>Panel B: Changes in Occupational Employment</b> |          |              |                  |          |
| Ag./Manf. Workers                                  | -0.51    | -0.51        | -0.52            | -0.52    |
| Elem. Workers.                                     | 0.14     | 0.14         | 0.14             | 0.14     |
| Prof./Managers                                     | 0.18     | 0.18         | 0.21             | 0.21     |

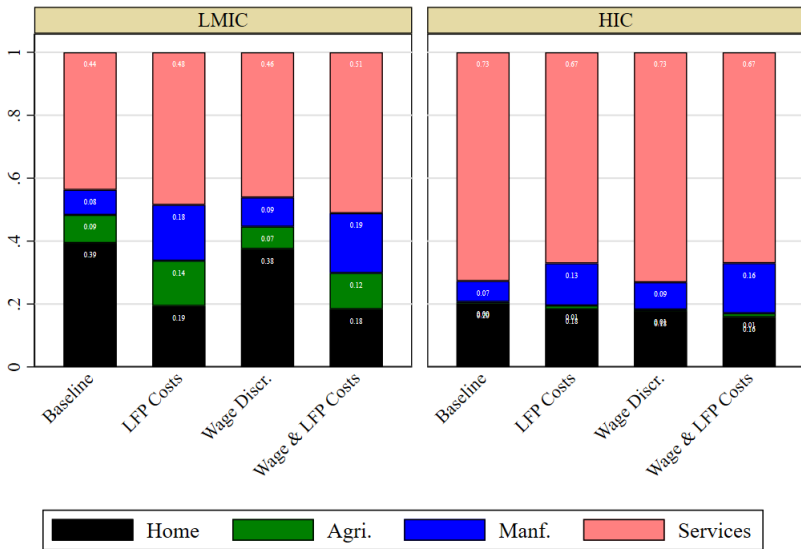
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# Occupation Choices

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Graphs by hic

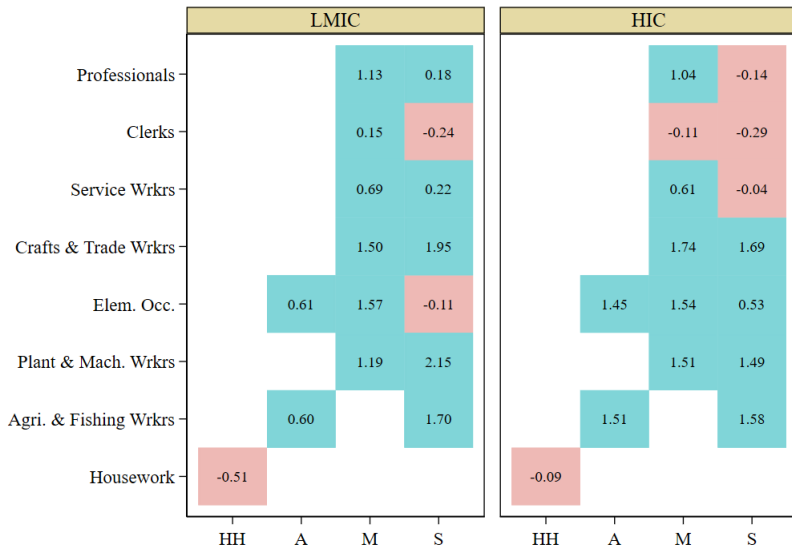
# Sectoral Choices

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Graphs by hic

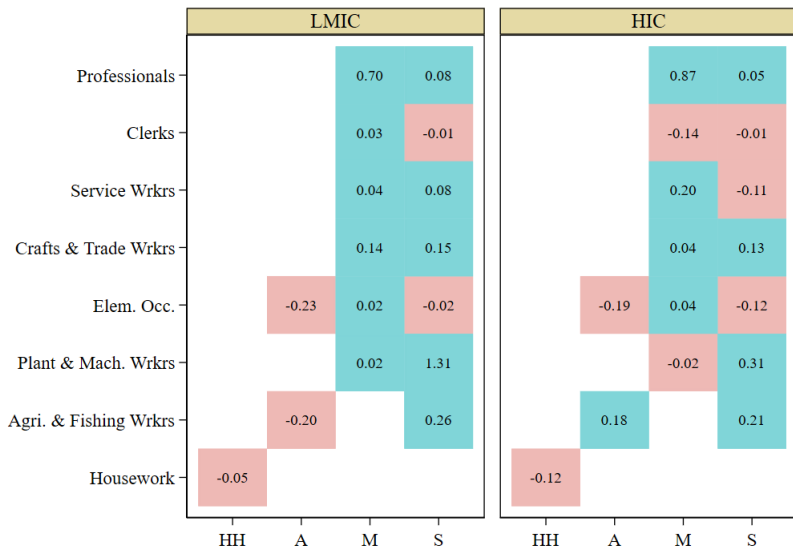


# Sectoral and Occupational Choices Back



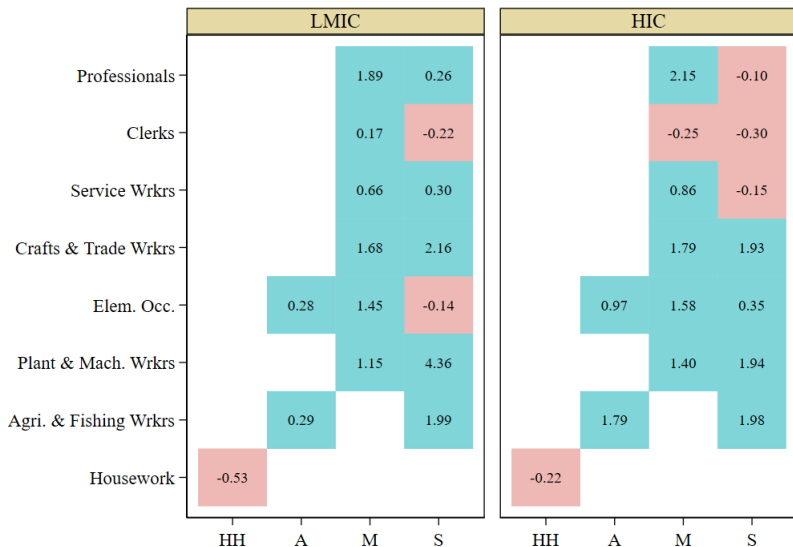
Graphs by hic

# Sectoral and Occupational Choices Back



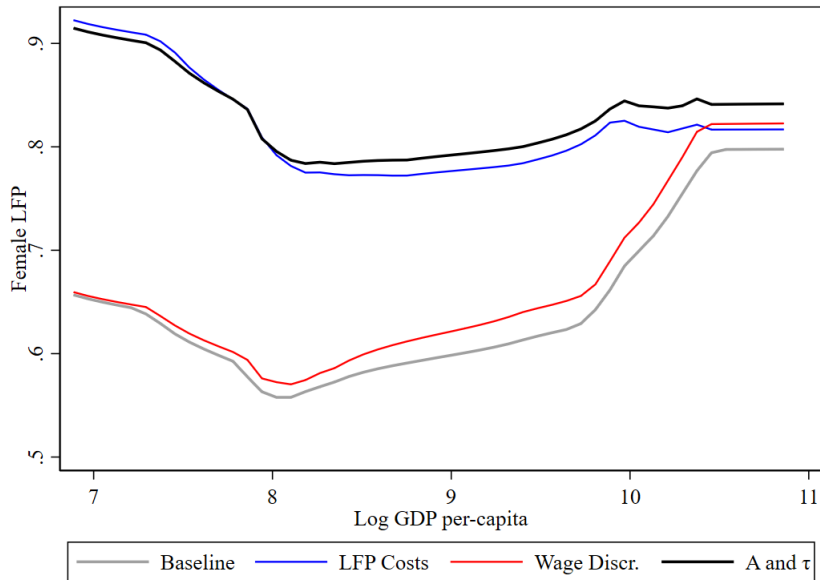
Graphs by hic

# Sectoral and Occupational Choices Back

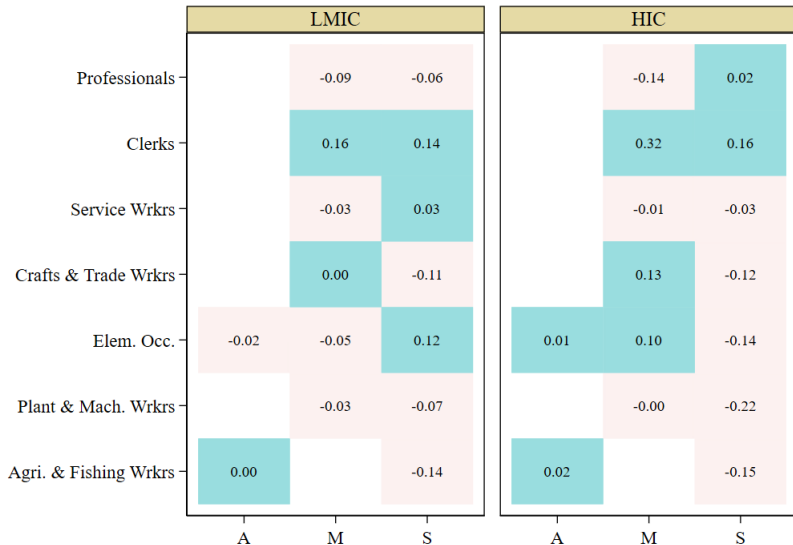


Graphs by hic

# Sectoral and Occupational Choices Back

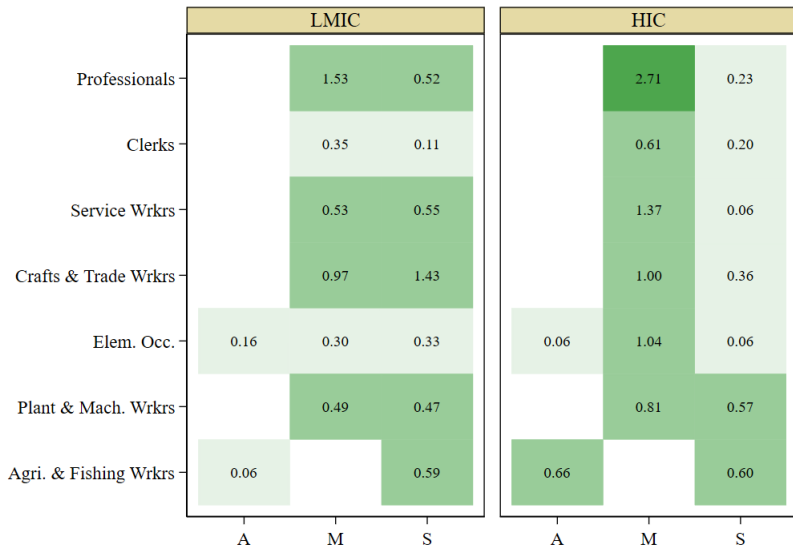


# Sectoral and Occupational Choices

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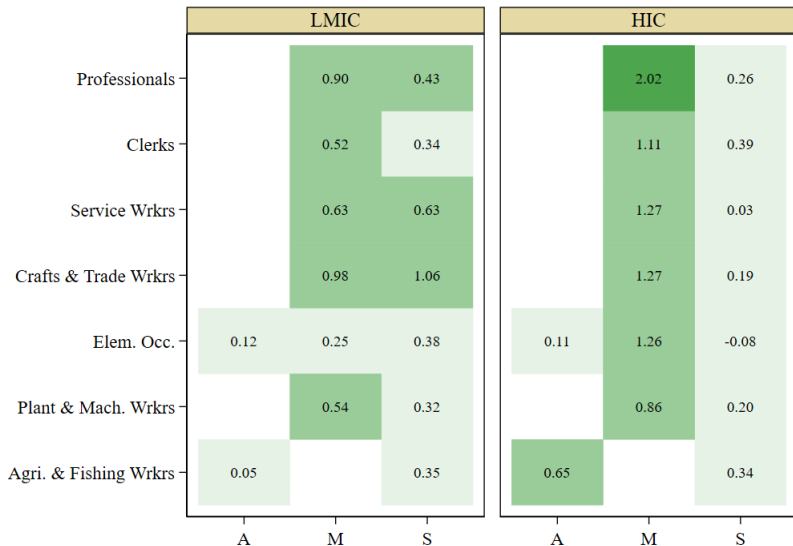
Graphs by hic

# Sectoral and Occupational Choices Back



Graphs by hic

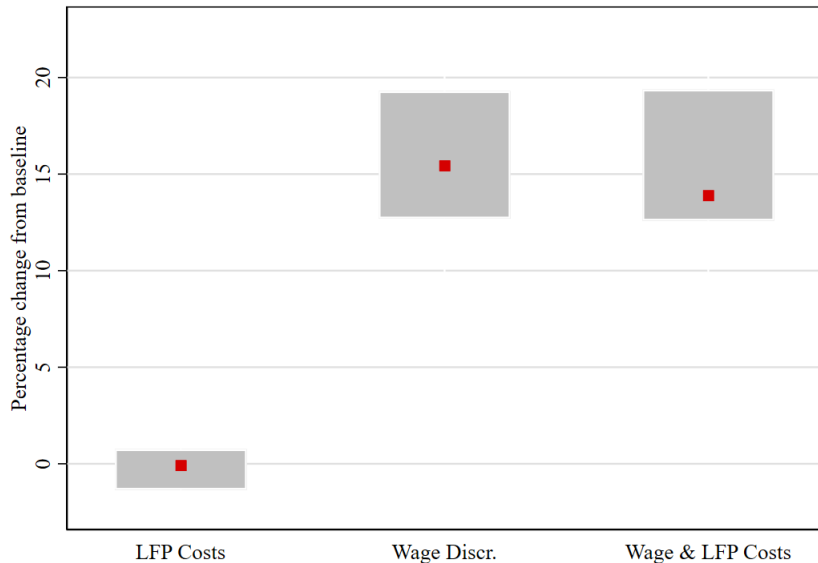
# Sectoral and Occupational Choices [Back](#)



Graphs by hic

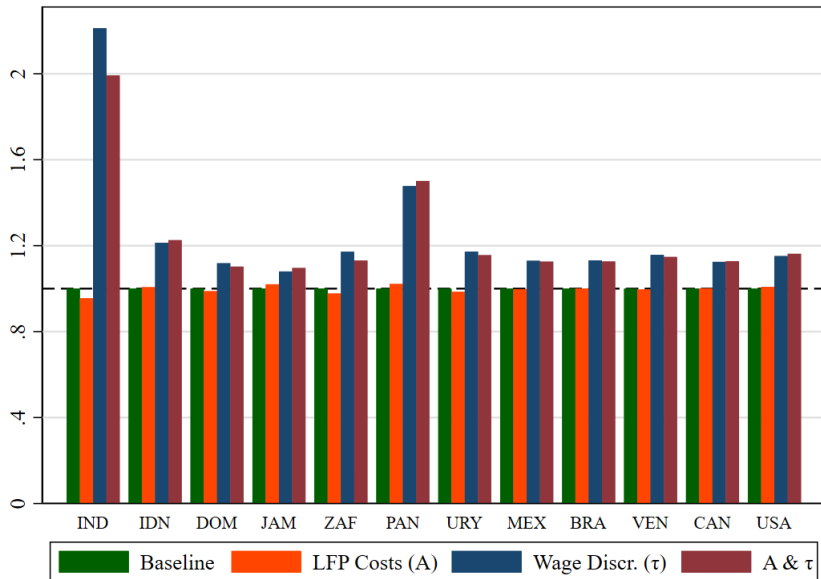
# Changes in Aggregate Real Income

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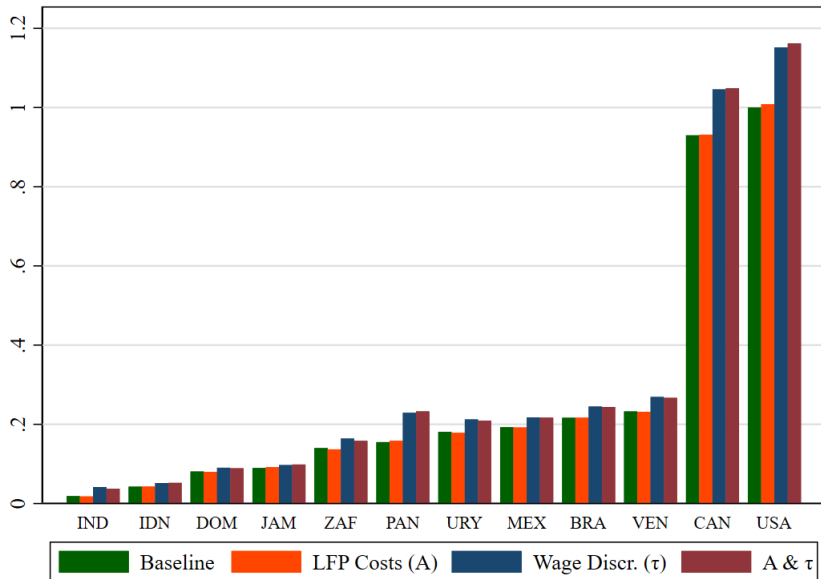


# GDP changes [Back](#)



# GDP changes relative to US

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See the paper for a complete list of references

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