# Research Proposal

Yingze Xu, Yuqi Zhou, Hannah Marsho

Apr. 1, 2022 at 11:00pm

## Overview and Motivation

In China today, gender discrimination in the workplace is still prevalent. This may, in part, be due to the fact that current discrimination laws are not strictly enforced. Luckily, much progress is being made in this area. In 2019, the Chinese government was drafting its first Civil Code, and, on February 21, 2019, the Ministry of Human Resources and Social Security posted a notice concerning the status of these gender discrimination laws. The notice reiterated the government's current laws by forbidding employers from (1) asking about a female candidate's marital or fertility status during the hiring process, (2) restricting births as an employment condition, or (3) asking a female candidate to take a pregnancy test as a hiring condition, among other actions. The notice also emphasized that enforcement would be strict from that day forward.

The 2019 Chinese government notice indicated that there would be strict enforcement of gender discrimination laws for the first time. This was part of a larger effort to curb gender discrimination in the workplace, specifically during the hiring process. However, we worry that this notice's effect could potentially be the opposite of what was intended. Employers may instead react to the notice by deciding to hire fewer women, since the marital and fertility status of all female candidates will now be unknown. Thus, we aim to examine whether or not this policy had its intended positive effect by analyzing changes in the gap between young men's and women's employment status and wages over the relevant time period. We would like to see if the gap, and thus gender discrimination in the workplace, has decreased as intended, or if it has instead increased as a result of introduced uncertainty surrounding a female candidate's marital and fertility status. The paper will also control for a set of individual characteristics in its analysis.

## Literature Review

The marital and fertility status of female candidates largely contribute to the gender gap for employment and wages found in the literature. Taking this fact as given, we will concentrate on the effect to the gender gap for employment and wages of these factors remaining unknown to employers. Since the notice was only issued recently, there is little to no formal research on the policy's effects. As a result, we take influence from policy evaluation research on similar topics. For our structure and methods, we follow the work of Ming-Hsuan Lee (2011), which examined changes in the gap between boys' and girls' educational opportunities due to the implementation

of the one-child policy, a structure that has greatly influenced ours.

## Data and Research Design

To investigate our research question, we will take data from the China Family Panel Studies (CFPS), provided by the Institute of Social Science Survey (ISSS) of Peking University. The survey is a nationally representative, biannual longitudinal survey of Chinese families. Since young people (those under 35 years of age) tend to be those who are seeking jobs and making important marital and fertility decisions, we believe that this policy primarily affects this group. Accordingly, we restrict our sample to those under 35 years of age. From this group and for the years 2016, 2018, and 2020, we construct a pooled, cross-sectional data set (each person only appears once) due to the high degree of consistency of a person's employment status and wage over the relatively short period of time that we observe. To motivate our choice of years, the three-child policy was enacted on May 31st, 2021. In order to avoid complications surrounding this, all of our data will be taken from the time period of the two-child policy. The two-child policy was enacted on October 29, 2015, so we take data from 2016, 2018, and 2020.

To capture the notice's effect, we make the critical assumption that, before 2019, the employer asked and knew a female candidate's marital and fertility status as well as how many children under 16 they had. After 2019, employers heed the notice and do not ask or know these conditions.

The dependent variable, therefore, is the employment status of an individual and their wage. *gender* measures the difference in this variable between men and women, $year\_2020$ is the notice dummy variable, and the interaction term between these two variables represents the pure policy effect. We also introduce a set of control variables, including an individual's highest level of education attained, their work experience, and other demographic characteristics (age, region, etc.).

Therefore, the richest model specification takes the following form:

$$Y_{it} = \alpha_{it} + \beta_1' * X_{it} + \beta_2 * year\_2020 + \beta_3 * gender + \beta_4 * gender * year\_2020$$

Where $Y_{it}$ stands for the employment status or the wage, $year\_2020$ is the policy dummy, and $X_{it}$ is a set of control variables which represent individual characteristics.

## Research Plan

Data Cleaning: Apr. 1 - Apr.8
Model Running: Apr. 9 - Apr.23
Writing: Apr. 24 - Apr. 31