Gender Economics Session 8 Economic History

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Sciences Po Menton



Introduction

Historical Shocks

- **Historical events** act as natural experiments reshaping gender norms.
- Understanding history is key to understanding **modern gender inequality**.

Stylized Facts

- Female labor force participation (FLFP) **increased** significantly in the 20th century
- Women's educational attainment has converged to or surpassed men's in many countries
- Gender norms evolve slowly but respond to **major historical shocks**.

Source: Goldin (2006); Bertrand (2011)

Introduction

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Temporary shocks may cause **permanent changes** via:

Labor demand shifts

Historical Shocks

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- Changes in social norms and beliefs
- Institutional reforms
- Wars, institutional collapses, or large-scale political changes act as gender norm shifters.
- We will review key contributions exploiting:
 - WWI
 - WWII
 - German Reunification
 - US WWII experience
 - The Baby Boom

World War I (WWI) (Boehnke and Gay, 2022)

Research Ouestion:

Did the demographic shock of WWI lead to a lasting rise in female labor force participation in France?

Data:

Introduction

- Department-level panel data from France (1901–1936).
- Military records: WWI death rates by region.
- Female labor force participation (FLFP) and marriage market indicators.

- Instrumental Variable strategy using pre-war conscription patterns.

World War I (WWI) (Boehnke and Gay, 2022)

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Data:

Introduction

- Department-level panel data from France (1901–1936).
- Military records: WWI death rates by region.
- Female labor force participation (FLFP) and marriage market indicators.

- Difference-in-Differences comparing regions with high vs. low male mortality.
- Instrumental Variable strategy using pre-war conscription patterns.

Results

Findings:

- Regions with higher WWI male mortality experienced a 3.5 pp higher FLFP during the interwar period
- Effect driven by:
 - Entry of war widows and unmarried women.
 - ► Shift towards industrial and blue-collar jobs.
- Wage effects:
 - ► Female wages decreased due to labor supply increase.
 - Limited impact on male wages.

Interpretation:

- Marriage market disruption induced long-term rise in women's labor supply.
- Demand-side effects were small; supply-side effects dominated.

World War II and the Quiet Revolution (Goldin, 2006)

Research Question:

How did women's labor force participation, education, and family decisions transform during the 20th century?

Data:

- Historical data on U.S. female labor force participation (1900–2000).
- Trends in education, marriage, fertility, and occupational choice.
- Surveys and Census data on expectations and actual outcomes.

- Descriptive historical analysis.
- Identification of "evolutionary" and "revolutionary" phases.
- Linking behavioral changes to human capital theory and social norms.

Findings:

- Early phases (1900–1970s): gradual rise of female participation.
- Post-1970s revolution:
 - Shift from jobs to careers.
 - ► Rise in women's educational attainment and labor market expectations.
 - ► Increased participation despite higher family income.
- Identity, aspirations, and long-term planning become central to women's labor decisions.

Interpretation:

- Labor supply decisions shifted from "secondary worker" to "career-oriented".
- The change is labeled "quiet revolution" due to its gradual yet fundamental nature.

Research Question:

Historical Shocks

Can institutions shape and undo gender norms?

Data:

- German Socio-Economic Panel (SOEP) 1991–2012
- East vs. West Germany as natural experiment.

- Difference-in-Differences exploiting historical divergence
- Comparing East and West Germans living in same regions
- Placebo tests using alternative borders and subpopulations.



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The German Reunification Experiment (Lippmann et al., 2020)

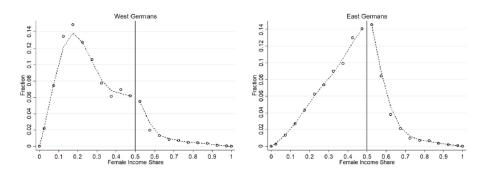


Fig. 2. Female Income Share among Western and Eastern German Couples.

The German Reunification Experiment (Lippmann et al., 2020)

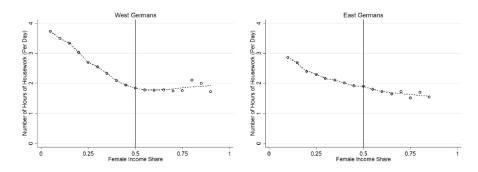


Fig. 3. Women's Housework Time Depending on Their Share of Income.

The German Reunification Experiment (Lippmann et al., 2020)

Findings:

- West German women who earn more than their husbands:
 - ► Increase housework
 - ► Face higher risk of divorce.
 - More likely to exit labor market.
- No such effects for East German women.
- East Germans maintain more gender-equal norms decades after reunification.

Interpretation:

- Institutional exposure shapes gender norms
- Cultural change persists even after institutions are unified.

The WWII Labor Shock in the US (Acemoglu et al., 2004)

Research Question:

How did the WWII-induced rise in female labor supply affect wages and wage structure in the U.S.?

Data:

- U.S. Census Data (1940–1950) on labor force participation and wages.
- Exploitation of variation across U.S. states in WWII mobilization rates.

- Difference-in-Differences using variation in male mobilization rates as instrument for female labor supply.
- State-level analysis linking mobilization rates to changes in female labor supply and wages.

The WWII Labor Shock in the US (Acemoglu et al., 2004)

Findings:

- Higher WWII mobilization ⇒ lasting increase in female labor supply post-war.
- Female labor supply increase reduced:
 - ► Female wages by 7–8%.
 - ► Male wages by 3–5%.
- Imperfect substitution between male and female labor: elasticity \approx 3.
- Stronger effect on wages of lower-skilled men.

Interpretation:

- Female labor supply shocks have sizable and heterogeneous effects on wage structure.
- WWII played a pivotal role in reshaping U.S. post-war labor markets.

- Question: What explains the post-WWII baby boom and its link to gender roles?
- **Mechanism**: WWII led to temporary female labor shocks but long-run fertility responses.

Findings:

- Increased labor supply of older women crowded younger women out of the labor market.
- Younger women reacted by marrying and having children earlier.
- ► The model reproduces:
 - * Timing of the baby boom and subsequent baby bust.
 - ★ Decline in relative wages for young women.
 - * Shift in labor supply from young to older women.
- ► Policy implication: Exogenous shocks to female labor supply can generate long-lasting demographic shifts.

Research Question:

Historical Shocks

Did medical progress (maternal health and infant feeding technology) contribute to the joint rise in women's labor force participation and fertility (1930–1960)?

Data:

- Historical U.S. data (1920–1970): maternal mortality, fertility, labor force participation, infant feeding costs.
- DALYs (Disability Adjusted Life Years) to measure maternal health burden.
- Historical prices for infant formula from newspaper ads.

Strategy:

• Quantitative macroeconomic model with household labor supply, fertility, and human capital investment.

Findings:

Introduction

- Decline in maternal mortality and morbidity reduced the time cost of childbearing.
- Joint rise in married women's labor force participation (LFP) and fertility between 1930 and 1960.
- Infant formula diffusion reinforced the effect by easing the compatibility between work and childcare.
- Model attributes up to 50% of LFP and fertility increases to medical progress.

Interpretation:

• Improvements in maternal health and infant feeding technology enabled women to invest more in human capital and reconcile work with motherhood.

The Rise of the Service Economy (Ngai and Petrongolo, 2017)

Research Question:

How has the rise of the service economy contributed to the narrowing of gender gaps in wages and market hours?

Data:

- U.S. Current Population Survey (CPS) 1968–2008.
- U.S. Time Use Surveys (1965–2008).
- Focus on trends in market hours, home production, wages, and sectoral employment.

- Structural model with three sectors: goods, market services, and home production.
- Women have a comparative advantage in services.

Findings:

- **Structural Transformation:** Faster productivity growth in goods shifted employment towards services.
- Marketization: Faster productivity growth in market services relative to home production pulled women from home to market work.
- Combined, these forces:

Historical Shocks

- ▶ Explain \sim 33% of the rise in female market hours.
- ► Explain ~20% of the rise in female relative wages.
- Explain \sim 9% of the decline in male market hours.

Interpretation:

• Gender-neutral technological change generated gendered labor market outcomes and accounts for a large share of gender convergence.

The Pill and Female Human Capital (Bailey, 2010)

Research Question:

Did access to the birth control pill cause the decline in U.S. marital fertility during the 1960s?

Data:

- National Fertility Surveys (1965, 1970) & Growth of American Families Survey (1955).
- Fertility, contraceptive use, and state-level legal restrictions on contraception (Comstock laws)

- Difference-in-Differences exploiting variation in Comstock sales bans across states.
- Compare contraceptive use and fertility before and after the *Griswold v. Connecticut* (1965) Supreme Court decision.

The Pill and Female Human Capital (Bailey, 2010)

Findings:

Introduction

- States with sales bans had 25–30% lower pill adoption before 1965
- Post-1965: convergence in pill use between states with and without bans
- Access to the pill reduced marital fertility by about 8% in the short run
- Facilitated the shift towards the two-child family and contributed to the overall U.S. fertility decline.

Interpretation:

- Pill access played a central role in shaping modern U.S. fertility patterns
- Changes in contraceptive costs, not just preferences, drove fertility decline.

Social Image and Women's Labor Supply (Bursztyn et al., 2018)

Research Question: Do misperceptions of social norms limit women's labor force participation in Saudi Arabia?

Data:

- Survey and experimental data from young married men in Riyadh.
- Outcome measures: men's willingness to support wives' job search, women's job applications and employment.

- Randomized Information Treatment:
 - ► Inform men about actual (high) support among peers for women working outside the home.
- Recruitment Experiment:
 - ► Inform women about men's true support in a real job offer setting.

Findings:

- Men underestimated peers' support for women working (82% privately supportive, but believed much lower).
- Information provision increased:
 - ► Men's willingness to support wives' job search (+9 p.p.).
 - $\,\blacktriangleright\,$ Actual job applications and interviews by wives (+10 p.p. and +5 p.p.).
 - ▶ Women's willingness to accept outside-the-home jobs (+15 p.p.).
- Persistent belief updates and spillovers (e.g., willingness to allow driving lessons).

Interpretation:

- Labor market distortions due to pluralistic ignorance.
- Information can realign behavior with actual social norms and increase women's labor supply.

The MeToo Movement

- Emerged in 2017, rapidly expanded worldwide.
- Shifted norms regarding:
 - Sexual harassment,
 - Workplace power dynamics,
 - Gendered social interactions.
- Movement to free victims' to speak out

Violence Against Women at Work (Adams-Prassl et al., 2023)

Research Question: How does male-on-female violence at work affect labor market outcomes?

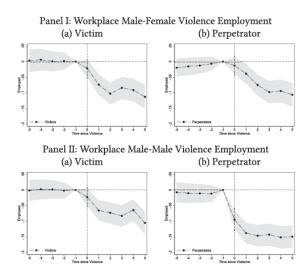
Data:

- Linked Finnish administrative data (2006-2019).
- Employer-employee register matched with police reports on workplace violence.
- Identifies both **victims** and **perpetrators**.

- Difference-in-Differences approach.
- Compares victims to matched non-victims.
- Studies perpetrator and firm-level effects.

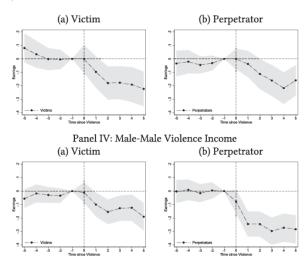
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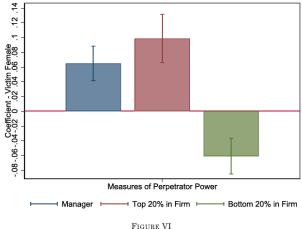


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Violence Against Women at Work (Adams-Prassl et al., 2023)



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Perpetrators Who Attack Women Are More Powerful in the Firm

Modern Mobilizations

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Violence Against Women at Work (Adams-Prassl et al., 2023)

Key Findings:

- Victims (mainly women) experience persistent employment and wage losses.
- Male perpetrators suffer smaller penalties, especially when victims are female.
- Effects are stronger when perpetrators hold higher workplace power.

Firm-Level Impact:

- Firms become more **male-dominated** after male-on-female violence:
 - Decline in female hires.
 - Rise in female separations.
- These effects are concentrated in **male-managed firms**.

Implication: Gendered violence has long-run labor market and organizational consequences.

Conclusion

Historical Shocks

- Wars and conflicts are **powerful shocks** to gender norms
- Gender norms evolve slowly but respond to large shocks
- Institutions and Technological progress (medicine, pill, sectoral shifts) reinforces or mitigates gender inequalities
- Modern mobilizations (e.g., #MeToo) still reshape norms today
 - Are recent gender norm changes (MeToo) persistent or temporary? Is there
 a backlash

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