

# The Gender Dimension in Economic Research

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# Overview

- 1 Labor economics: Gendered constraints
- 2 Behavioral economics: Preferences and norms
- 3 Macroeconomics: Business cycles and growth

# Labor Economics: Gendered constraints

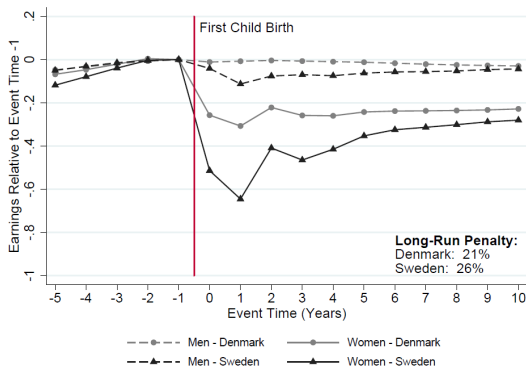
# Empirical Labor Economics: Focus on Men

- Most empirical labor economics studies work with male-only sample
  - Reason: Women less attached to the labor market
- ⇒ Many conclusions are really only valid for men
- Incentive problem in research: repeating a study with female sample will likely lead to lower-ranked publication

# Women in the Labor Market

- Women face different constraints than men
  - Motherhood
  - Family policies
  - Taxation: joint vs. separate taxation (Bick and Fuchs-Schündeln, 2018)
  - Discrimination (Goldin and Rouse, 2000)
  - Implicit biases (Gerxhani et al., 2020; Mengel et al., 2019)
    - ⇒ Gender equality by design (Bohnet, 2016)
  - Norms

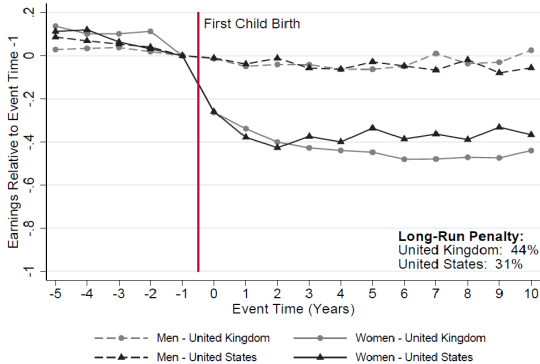
# Effect of Motherhood on Income: Scandinavia



Kleven et al., 2019

⇒ Long-term income drop of mothers: 20%

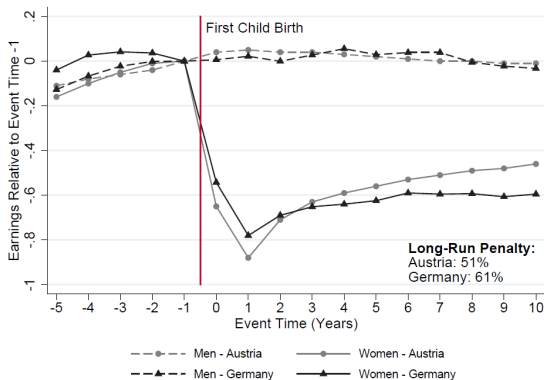
# Effect of Motherhood on Income: Anglo-Saxon Countries



Kleven et al., 2019

⇒ Long-term income drop of mothers: 40%

# Effect of Motherhood on Income: Germanic Countries

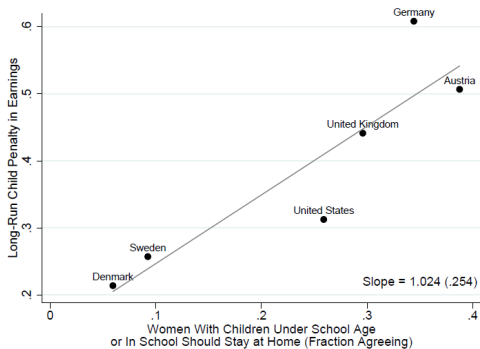


Kleven et al., 2019

⇒ Long-term income drop of mothers: 60%



# Motherhood Pay Gap and Gender Norms



Kleven et al., 2019

Positive correlation between outcomes and norms

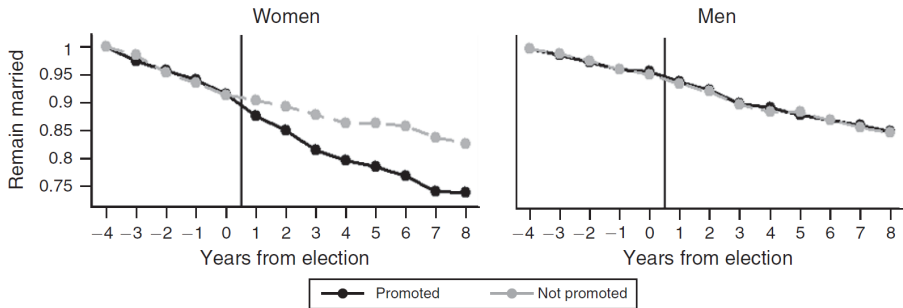
# **Behavioral Economics: Preferences and Norms**

# Competitive Behavior

- Women shy away from competition (Niederle and Vesterlund, 2007)
  - Even if they are objectively good at a task
- Economic success often relies on competitive structure
  - School: Girls don't concentrate in math-intensive subjects
  - Work: Women don't apply for promotions (Hospido et al., 2020)

⇒ Threat to meritocracy

# Breaking Norms is Costly



Folke and Rickne, 2020

- Electoral success increases divorce probabilities for women: same shown for becoming CEO, or for earning more than the husband
- ⇒ Breaking norms is costly!

# “Doing Gender”: Women Internalize Gender Norms

- When starting to earn more than husband, women increase hours spent on household chores (Bertrand et al., 2015)
  - Female single MBA-students in top US business school indicate smaller target salary, less desired work hours, less willingness to travel, if answers are potentially discussed with male colleagues (Bursztyn et al., 2017)
- ⇒ Does gendered behavior reflect different preferences or different norms?
- ⇒ How to include norms into economics models?

# Macroeconomics: Business Cycles and Growth

# Gender Important for Optimal Macroeconomic Policies

- “Jobless recoveries” in the US largely driven by stagnant female labor force participation:  
Should Europe expect the same for future?

# Gender Important for Optimal Macroeconomic Policies

- “Jobless recoveries” in the US largely driven by stagnant female labor force participation:  
Should Europe expect the same for future?
- “Added worker effect”: in a typical recession, male-dominated sectors are hit harder, and many women increase their hours
- COVID-recession: female-dominated sectors hit more strongly, i.e. less intra-household insurance possible

⇒ Optimal policies should take this into account



# Growth Effects

- Growth effects of increased female labor market participation larger than simple labor supply effects
  - Research on the US economy (Hsieh et al., 2019):
    - 1/3 of economic growth since 1960 is due to more equal participation of women in different jobs
    - Assumption: Talent distribution is the same for both genders
- ⇒ More equal participation in labor market desirable not only because of equality of opportunity, but also for economic growth

# Summary: The Gender Dimension in Economic Research

- Women face different constraints, especially motherhood
- Implicit biases and norms affect success in labor market

⇒ Threat to meritocracy and growth

⇒ Gender issues matter for optimal economic policy

**Many thanks!**

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