

Who wins if **WOMEN** don't get to **WORK**?

• ROHINI PANDE •
THE INDIAN PUZZLE

Despite India's rapid economic growth, female employment is strikingly low. In her IAST Distinguished Lecture in December, Harvard's Rohini Pande argued that women are being held back by stubborn gender norms, to the benefit of rural elites. Encouragingly, this professor of international political economy also points to evidence that public policy can be successful in changing power dynamics.

Across the world, men are more likely to have jobs than women. But the lowest rates of female labor force participation (FLFP) are not concentrated in the poorest countries. Instead, says Rohini, charting these rates against income produces a U-shaped graph. "At low incomes, as in sub-Saharan Africa, both men and women work. As countries get richer, women seem to stop working. Then as incomes continue to rise, the hopeful view is that women will re-enter the labor force."

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The typical narrative on the U-shaped curve, says Rohini, is that economic growth is accompanied by structural transformation. "At first, both men and women exit agriculture, but men tend to be first in line for

non-agricultural work. As male incomes rise outside agriculture, women no longer work out of necessity; instead of backbreaking labor, women may choose to engage in domestic work, childrearing, etc. In an even richer context, women are more likely to enter higher education and satisfying jobs. Households may also have preferences – such as holidays and consumer goods – that require two incomes. And as preferences change, norms may adjust so that traditional gender roles come to be seen as outdated."

THE POWER OF NORMS

Despite increases in FLFP in richer countries, a key concern is that women are not advancing into high-skilled professions at the same rate as men. "If men are first in line for non-agricultural jobs at the beginning of the structural transformation, women may not be able to catch up in the long run. This appears to be a factor in sectorial inequality, even in rich countries. One explanation is that norms have lagged behind changes in FLFP and legal structure."

For Rohini, social norms are not just the standards that describe typical behavior, they also incentivize and stigmatize behavior. "Research in the US has found that when women earn more than their husbands, women understate their income compared to their tax return, and men overstate theirs. Another study asked MBA students for their salary expectations from a summer placement. When their response risked being publicly revealed to the group, single women underreported."



INDIAN OUTLIER

The prediction that economic growth will raise labor market opportunities for men and women equally has failed in most countries, but India's strikingly low FLFP rates represent an enduring puzzle. "Since the early 1990s, India has had a dramatic takeoff in economic performance with roughly 7% growth in GDP every year. It's very much off the global trend line for FLFP, below where it should be at every point in time. There's no evidence that a U-shaped curve is about to emerge."

India's falling FLFP rates are particularly mystifying given its dramatic decline in fertility and the rise in women entering education. "The typical economist's response is that women are undertaking education because there are returns to finding a quality spouse. If skills were equally valuable across genders, we would have reversed the wage gap by now." Instead, Indian women are concentrated in industries that extend traditional household roles. "If anything, recent years have seen a decline in the percentage



of women in top positions such as senior officers, legislators, and managers. Domestic help and education dominate the most common female occupations."

WILLING WORKERS

Surveys suggest that Indian women are keen to find jobs, so what's holding them back? "If women have a lot of freedom and jobs, it may be harder to ensure that marriages remain within the caste. Both caste and marital norms perpetuate gender norms, restricting women's movements. It's not uncommon to find 50% of women saying they cannot leave the village without permission from other members of the household."

Rohini's team conducted a survey of more than 2,500 trainees in vocational skill programs, and the findings suggest that social norms have powerful effects. "Although

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men and women do equally well in the program exams, young men were more likely to receive job offers. Women were much less likely to accept or to remain in jobs. Men's typical reasons for leaving a job were because they didn't like salary or the food; women leavers typically cited family pressure."

MISPERCEPTIONS MATTER

Citing field experiments involving 800 couples in rural areas, Rohini argues that

women are not working because men believe they will face a high social cost. "In interviews, women say they would work if their husbands agreed to it. However, men feel very strongly that they will be judged by the community if their wife is working, because the husband should provide for the household. Men also believe that the community thinks much worse of men with working wives than it actually does."

These beliefs and misperceptions matter. In the same setting, Rohini's team made an arrangement with local landowners to offer households a day's work in a neighboring field. "We found that if the woman thinks her husband believes women shouldn't work, she was 10 percentage points less likely to turn up. Similarly, if the man believes the community thinks badly of working women, this led to a five percentage-point decline." ● ● ●

WHY ARE INDIAN GIRLS SHORTER THAN BOYS?

In a 2017 paper written with Seema Jayachandran and published in *American Economic Review*, Rohini shows that much of the India-Africa height gap can be explained by Indian parents' discrimination in favor of first-born sons. See scholar.harvard.edu/rpande/home