



Detective work about women's employment

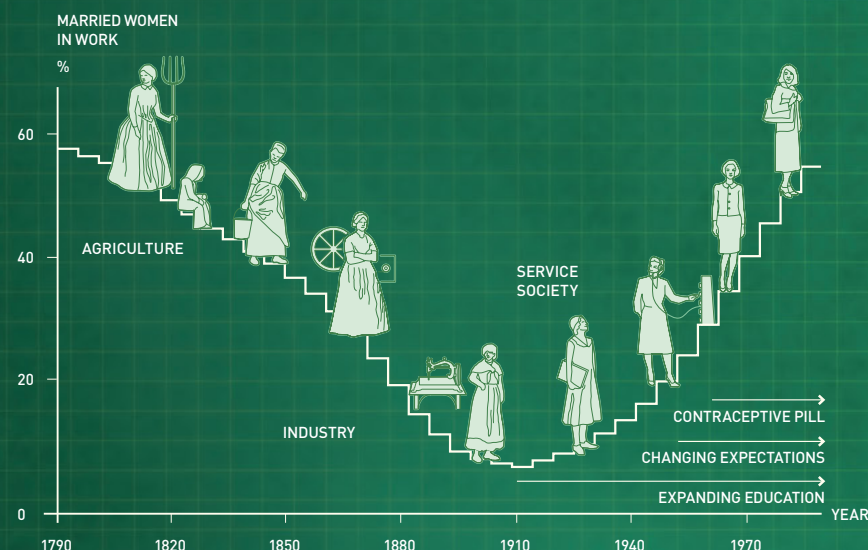
This year's Laureate in the Economic Sciences, Claudia Goldin, provided the first comprehensive account of women's earnings and labour market participation through the centuries. Her research reveals the causes of change, as well as the main sources of the remaining gender gap.

Women are vastly underrepresented in the global labour market and, when they work, they earn less than men. Understanding how and why employment and earnings differ between women and men is important to most efficiently use society's resources. If women do not have the same opportunity to participate in the labour market, or they participate on unequal terms, labour and expertise are wasted.

By combining innovative methods in economic history with an economic approach, Goldin has demonstrated that several different factors have historically influenced – and still influence – the supply of and demand for female labour. To achieve these insights, Goldin looked back over two hundred years. These factors relate to women's opportunities for combining paid work

with having a family, educational decisions and family planning, technical innovations, laws and norms, and transformations in the structure of the economy and the nature of work. Her results have enabled a better understanding of how and why rates of employment and pay differ between men and women.

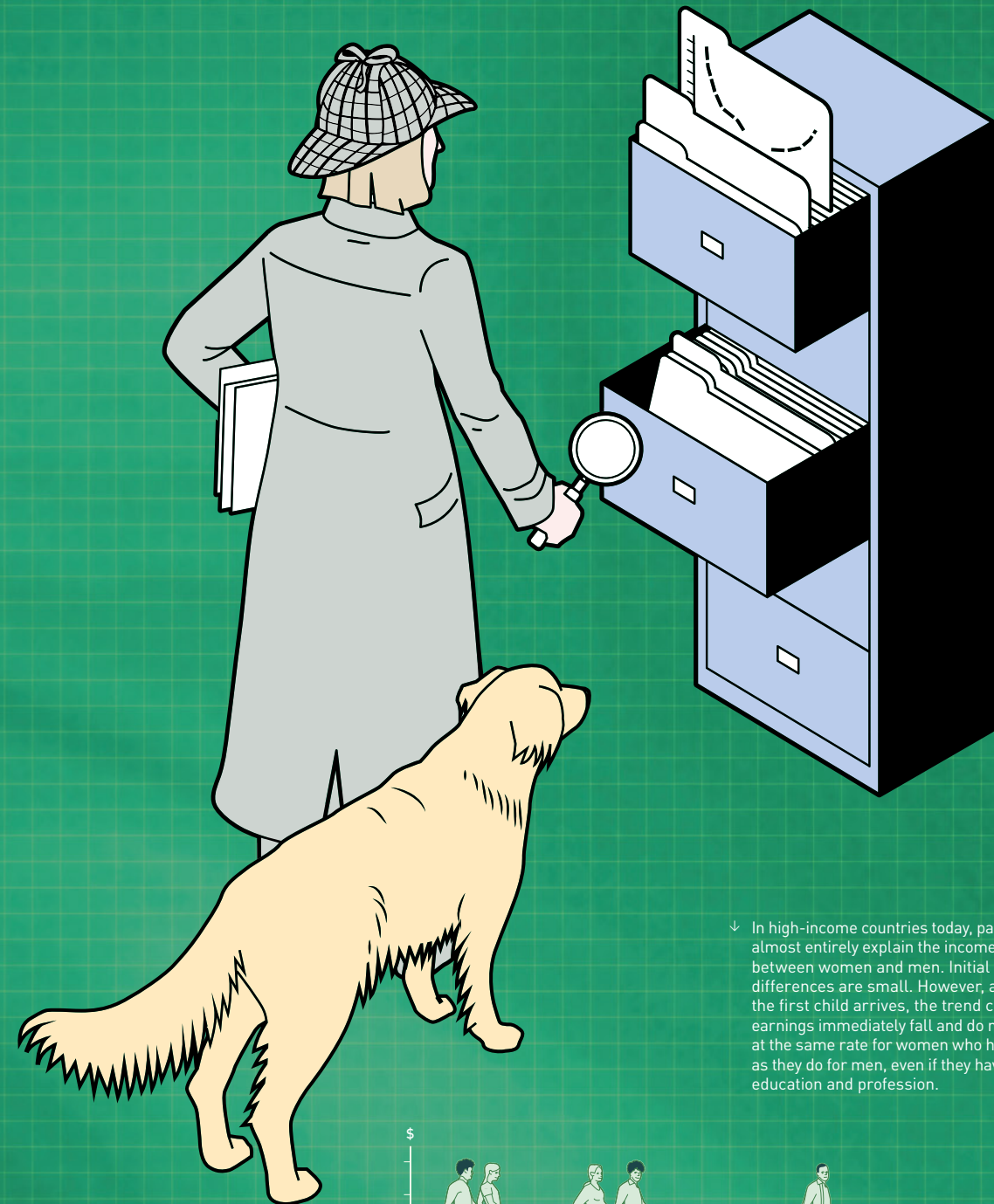
Goldin's research shows that the differences between women and men in the labour market are determined by diverse factors during the various periods of societal development. Anyone who wants to reduce these differences must first understand why they exist. Her studies have also taught us that change takes time, because choices that affect entire careers are based on expectations that may later prove to be false.



← Claudia Goldin compiled data from as long ago as the end of the eighteenth century, and was able to show that women in the US were more likely to be in the labour force before the rise of industrialisation in the nineteenth century. Industrialisation made it harder for many married women to work from home and so combine work and family.

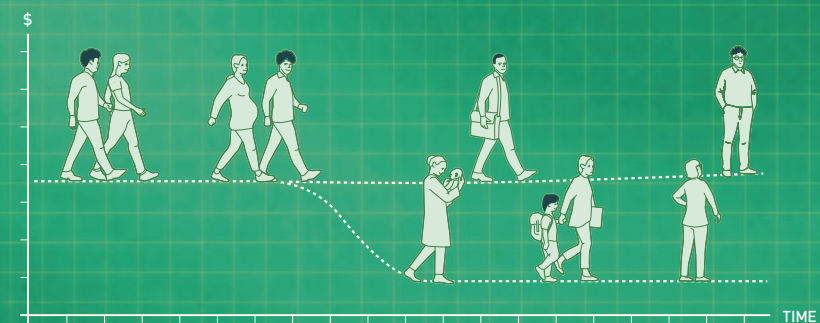
Over the past century, during the transition from an industrial to a service-based society in many high-income countries, the proportion of women in paid work has tripled. This is one of the biggest social and economic changes in modern times. Claudia Goldin demonstrated the mechanisms behind this change. They are linked to education, career expectations, and the contraceptive pill, which provided new opportunities for women to invest in education and plan when to have children.

The results form a shape that looks like a U. We now know that this relationship also applies in many other countries.



← Through her research, Claudia Goldin showed that women's work was not always recorded in historical sources and, when it had been, it was sometimes incorrectly stated. She compiled new databases based on historical time-use surveys, industrial statistics and censuses. This detective work uncovered two hundred years of data from the US, providing the first accurate picture of how and why rates of women's employment and pay changed over time.

↓ In high-income countries today, parenthood can almost entirely explain the income differences between women and men. Initial earnings differences are small. However, as soon as the first child arrives, the trend changes; earnings immediately fall and do not increase at the same rate for women who have a child as they do for men, even if they have the same education and profession.



Claudia Goldin

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