

The costs of exclusion: Gender job segregation, structural change, and the labor share of income

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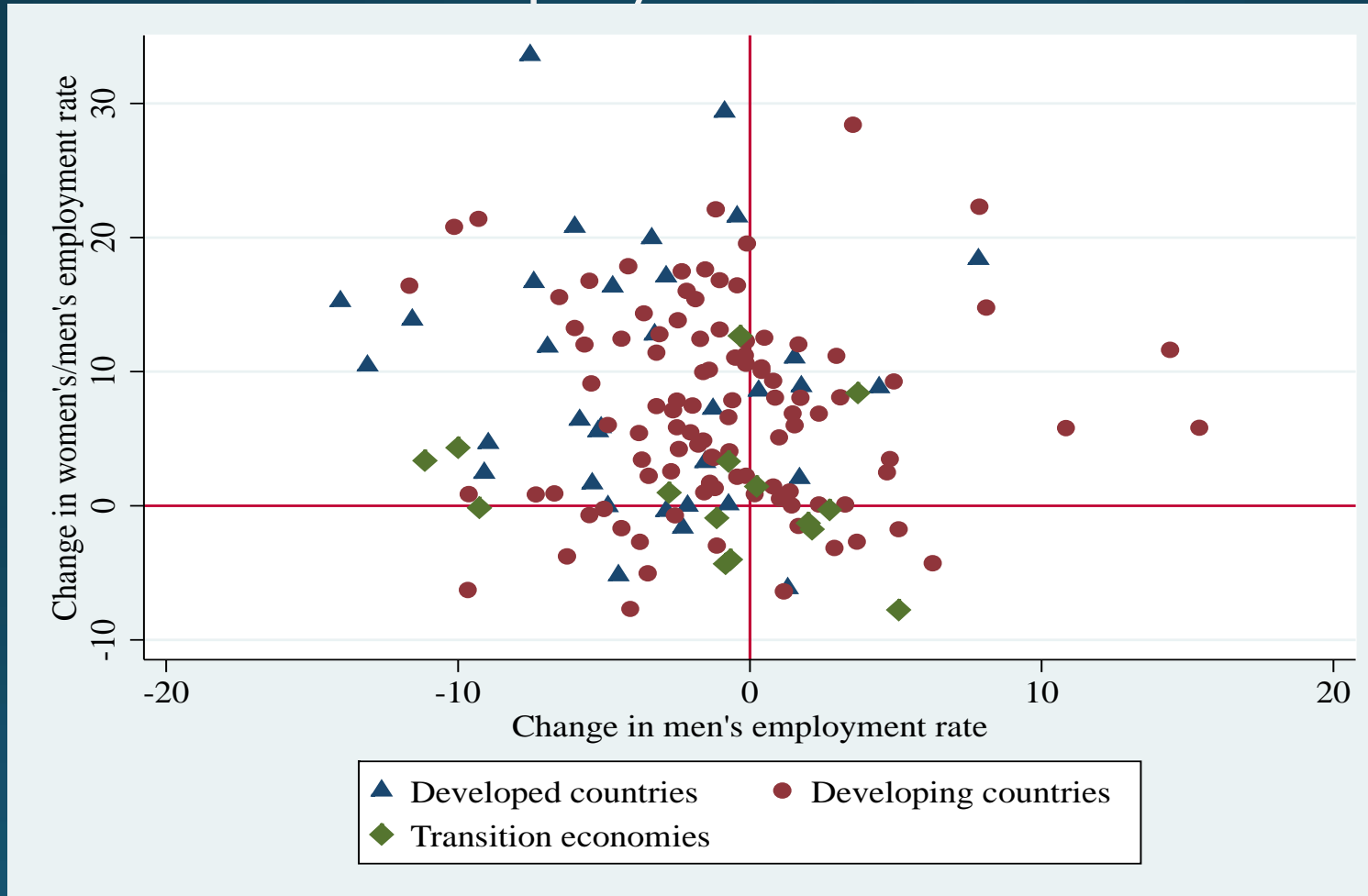
Contradictory global trends

- **Inequality** has been on the rise globally since 1970s

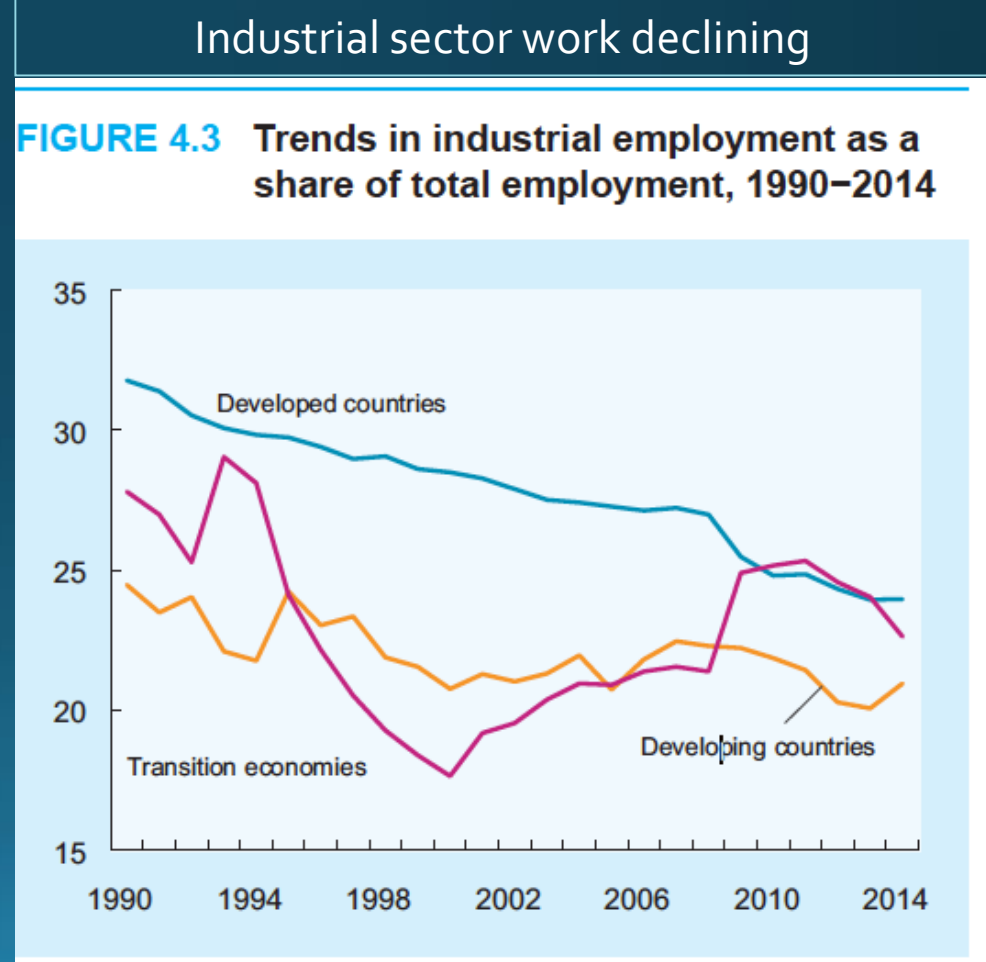
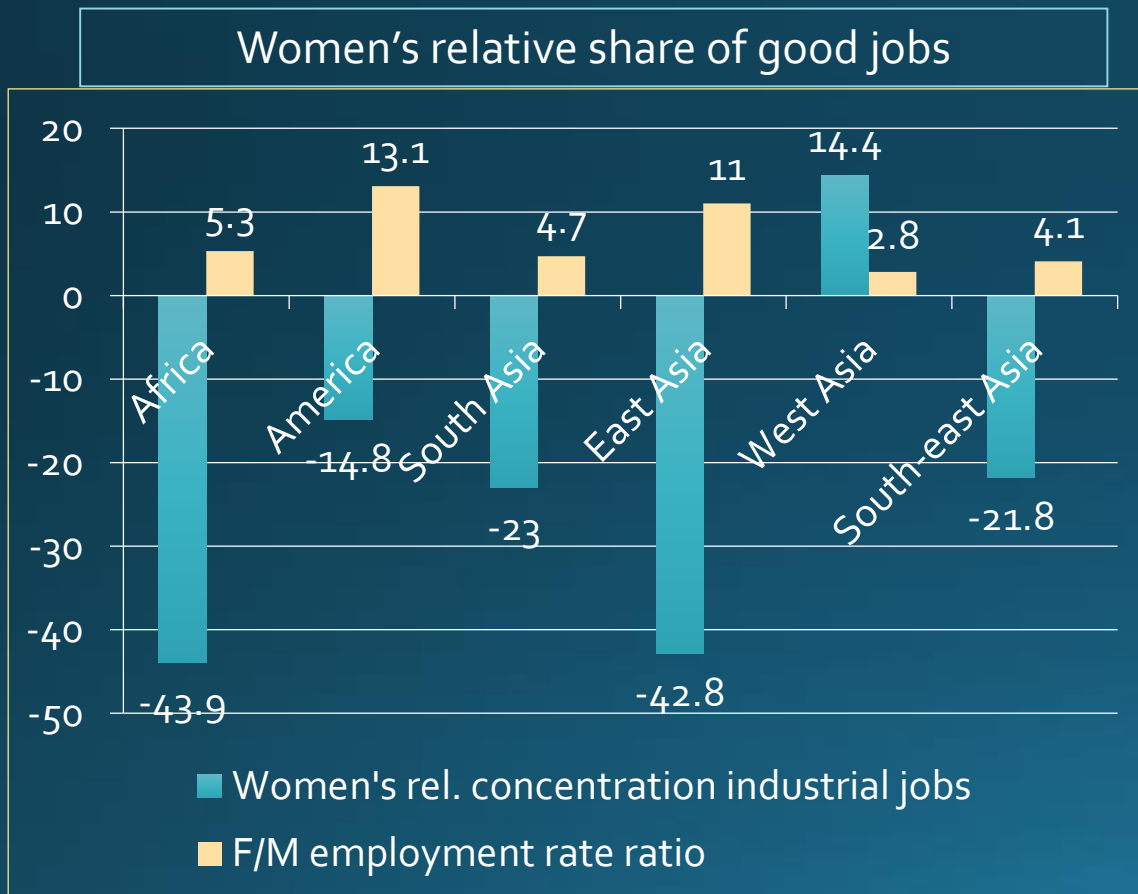
BUT

- **Educational & employment gender gaps** have narrowed
- And yet, **gender job segregation** has worsened.

Gender conflictive employment gains?: F/M employment ratio rising since 1991 as male employment rates fall



And job segregation is increasing as industrial share of employment falls



Two questions

1. What are **macro-structural causes** of greater job segregation, with women increasingly excluded from “good” jobs in the industrial sector?
2. Does increased gender job segregation **hurt men as well as women** by depressing the labor share of income?

“Good” jobs in the industrial sector

- Are in fact industrial sector jobs of higher quality than those in services & agriculture?
- Ratio of market services sector to industrial sector productivity averages 85% across regions. (In Europe/USA, 68%).

“Good” jobs in the industrial sector

- Industry relative to agriculture and services
 - More likely to be formal, higher wage, less “vulnerable” work
 - Ratio of market services sector to industrial sector productivity averages 85% across regions. (In Europe/USA, 68%).

Analytical framework: Stratification & dual labor markets

- **Dual/segmented labor market theory**

- Primary vs. secondary sector

- **Stratification**

Systems of distribution, buttressed by institutions, norms & stereotypes that create social & economic hierarchies in which some groups are identified as more deserving than others.

- Stratification + dual labor market + **job scarcity**

- Job rationing & opportunity hoarding by gender
- Crowding of women into lower quality jobs

Macro structural & policy determinants of women's relative share of industrial sector or "good" jobs

1. **Structural transformation and the gender inclusivity of technological change**

- Industrial value-added as a share of GDP
- Industrial employment as a share of total employment
- Capital-labor ratio

2. **Structural and policy consequences of hyperglobalization**

- Extent of global integration
 - Trade/GDP
 - FDI/GDP
- Trade policy
 - Weighted tariff rate
- Fiscal policy stance
 - Government consumption/GDP

3. **Economic growth**

4. **Labor supply controls**

- W/M secondary school enrollment rate
- W/M labor force participation rate

Some details

- 1991-2014, annual observations for two groups: developing and developed countries
- Country and time fixed effects

Econometric Results: Assessing gender-based exclusion

Factor	Impact on women's relative access to good jobs
Structural transformation and the gender inclusivity of technological change	
Industrial employment as a share of total employment	Positive: Industrial value added matters a lot less
Higher capital intensity of production	Negative: Given gender stereotypes and segregation, technological change may hurt women's access to better jobs
Structural and policy consequences of globalization	
Stronger fiscal policy stances	Positive: Austerity detracts from gender equality
Net (not total) exports of manufactures	Positive: Domestic value added in exports matter, FDI doesn't
Tariffs	Positive: Less trade liberalization enhances women's access
Economic growth	
Per capita GDP growth	No effect: Failure of growth to produce sufficient employment also a failure for gender equality
Women's involvement in markets	
Increasing women's labor force participation	Negative: Given the limited supply of good jobs, associated with increased gender segregation and crowding into bad jobs

Are men also hurt by gender job segregation?

- Core sector (male) jobs increasingly rationed
- Poor working conditions of peripheral sector (women's jobs) communicate "cost of job loss" if men lose privileged positions in core jobs
- Weakens fallback positions & BP in the industrial sector, depressing wages & making it difficult to capture benefits of productivity growth.
- Predicted effect: Greater job segregation → decline in L share of income.

Results: Statistically significant variables only

Dependent variable: L share of income
<i>Women's rel. concentration</i>
<i>F/M LFPR</i>
<i>Industrial VA/GDP</i>
<i>Ind. emp/Total emp</i>
<i>Inward FDI/GDP</i>
<i>G. cons/GDP</i>
<i>Real i rates</i>
<i>K/L ratio</i>
<i>Trade/GDP</i>
<i>Weighted tariffs</i>

	Fixed effects	2SLS
<i>Women's rel. concentration in industrial sector jobs</i>	0.08	0.14
<i>Ind. value added/GDP</i>	-0.18	-0.26
<i>Weighted tariffs</i>	0.04	0.04
<i>G cons./GDP</i>	0.16	0.16

*Women's share of industrial sector jobs may be endogenous, hence 2SLS. Instruments are lagged values of women's industrial concentration & net mfg. exports/GDP.

Implications of results

- Crowding hurts men's access to employment – effect is large.
 - Decline in F/M ind. employment → 3.1 percentage point decline of L share from 1991-2010.
 - Labor share fell 4.0 percentage points over that period.
- Falling L share cannot be attributed to increased F/M LFPR that squeezes men out of jobs
- **Expansionary fiscal policies & less trade liberalization** raise labor shares.

Conclusions

- Due to declining no. of good jobs, women's increased employment has led to their **integration on inferior terms**.
- This worsens overall inequality by lowering the labor share of income with negative effects for aggregate demand & growth.
- What progress we have seen in women's increased relative employment is thus **gender conflictive**.