



Workshop on Gender and the Labour Market

Institute for Labour Law and Industrial Relations in the European Union | Trier University

Workshop on Gender and the Labour Market 16th July, 2021

Institute for Labour Law and Industrial Relations in the European Union (IAAEU) Trier University, Campus II Behringstraße 21 54296 Trier



Welcome to the

Institute for Labour Law and Industrial Relations in the European Union

The Institute for Labour Law and Industrial Relations in the European Union (IAAEU) was established as a public foundation in 1983 and is funded by the state government of Rhineland-Palatinate. While being a public foundation, the IAAEU is also a research institute of Trier University and is situated in the heart of the Petrisberg Technology Park on Campus II. The IAAEU comprises two working groups of which one engages in research in the area of European labour law (Legal Team) and one engages in the theoretical and empirical analysis of personnel and labour economic issues (Economics Team). Depending on the research questions and the available data the economists rely on experimental data drawn from the experiments conducted in the institute's laboratory or on survey and corporate data. Since January 2012 Laszlo Goerke is one of the directors of the IAAEU and head of the Chair of Personnel Economics at Trier University. He is also a research fellow of the Institute of Labor Economics (IZA) and the CESifo Group Munich.

For detailed information have a look at our website: <u>https://www.iaaeu.de/en</u>



About TriECON

TriECON is a workshop series initiated and conceptualized by the Institute for Labour Law and Industrial Relations in the European Union (IAAEU) in cooperation with the Chair of Personnel Economics at Trier University. Each workshop is designed to offer a platform for scientific exchange on a particular topic. The workshop series supports the networking among scientists and promotes the exchange of research ideas and results with other scientists as well as with the wider, interested public.

We hope you have a pleasant event and that you will you get some new insights!

For information about the upcoming workshops, we invite you to visit the corresponding website:

TriECON Workshop Series



Registration

For registration, please subscribe via this form.

You will receive a confirmation email once your registration is noted.

The workshop will take place online via Zoom software. Information on how to log in will be sent around one day before the workshop.

Please refer to page 9 for more organizational information.

Schedule – Workshop on Gender and the Labour Market

Friday, July 16th 2021

- 09:15 09:30 Welcome and Opening
- 09:30 10:50
 Session I

 10:50 11:20
 General Discussion + Short Break
- 11:20 12:40Session II12:40 14:00General Discussion + Lunch Break
- 14:00 15:20Session III15:20 15:50General Discussion + Short Break
- 15:50 17:10
 Session IV

 17:10 17:35
 General Discussion + Farewell



Programme

09:15 – 09:30 Welcome and Opening

09:30 – 10:50 SESSION I: (SESSION CHAIR: NORA PAULUS)

Lavinia Kinne: "A distributional analysis of gender gaps in wages and numeracy skills" (Co-authored by Michele Battisti & Alexandra Fedorets)

Camila Cisneros-Acevedo: "Informalities-wage penalty or gender wage gap?"

10:50 – 11:20 General Discussion + Short Break

11:20 – 12:40 SESSION II: (Session chair: Laszlo Goerke)

Maria Cubel: "Gender differences in the willingness to compete against a standard" (*Co-authored by Santiago Sanchez-Pages & Christiane Schwieren*)

Helena Fornwagner: "Predictably competitive: What faces can tell us about competitive behavior" (*Co-authored by Loukas Balafoutas & Brit Grosskopf*)

12:40 – 14:00 General Discussion + Lunch Break

Programme

14:00 – 15:20 SESSION III: (SESSION CHAIR: YUE HUANG)

Adrian Nieto Castro: "Gender differences in labour mobility after childbirth: Implications for the gender gap in earnings" (*Co-authored by Andrea Albanese & Konstantinos Tatsiramos*)

Elisabeth Artmann: "Household specialization and the child penalty in the Netherlands" (Co-authored by Hessel Oosterbeek & Bas van der Klaauw)

15:20 – 15:50 General Discussion + Short Break

15:50 – 17:10 SESSION IV: (SESSION CHAIR: SVEN HARTMANN)

Roberto Nisticò: "Fertility decisions and employment protection: The unintended consequences of the Italian Jobs Act" (Co-authored by Maria De Paola & Vincenzo Scoppa)

Mahreen Mahmud: "Encouraging female graduates to enter the labor force: Evidence from a role model intervention in Pakistan" (*Co-authored by Hamna Ahmed, Farah Said & Zunia Tirmazee*)

17:10 – 17:35 General Discussion + Farewell

Organizational Information

Instructions for Presenters:

We scheduled 40 minutes for each paper:

• 30 minutes for your presentation and 10 minutes for questions.

The workshop will take place online via Zoom Software.

In case of unforeseen technical problems, our IT team is available during the workshop:

Email: <u>edv@iaaeu.de</u>

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Session I:

Lavinia Kinne, Michele Battisti, Alexandra Fedorets: "A Distributional Analysis of Gender Gaps in Wages and Numeracy Skills"

This paper investigates gender-specific patterns in the distribution of numeracy skills among adults, measured by standardized tests in the international PIAAC survey. We report three patterns: First, we document that both wages and returns to skills are higher for individuals with higher numeracy skills. Second, we show that women with the highest numeracy levels experience lower returns to skills compared to men with the same numeracy levels. Lastly, we find that women in general have lower numeracy skills than men, especially at the top of the numeracy distribution. In order to shed light on potential determinants, we perform a decomposition of gender gaps across the numeracy distribution and find that especially children and fields of study play an important role. These findings contribute to the discussion about glass ceilings for women in the labor market and emphasize the role of potential labor-market discrimination of women.

Camila Cisneros-Acevedo: "Informalities-Wage Penalty or Gender Wage Gap?"

This paper studies the informality-gender effect on income. I consider two margins of informality, the extensive margin refers to workers hired by unregistered employers; and the intensive margin refers to employees hired "off the books" by registered employers. Using a rich survey data from Peru I show that gender is the most important individual characteristic driving self-selection into informality. Moreover, I find that informality is an important determinant of the gender wage gap. Interestingly, this effect is driven by the extensive margin of informality rather than by informal workers in registered firms.

Session II:

Maria Cubel, Santiago Sanchez-Pages, Christiane Schwieren: "Gender differences in the willingness to compete against a standard"

There is extensive evidence showing that women shy away from competition against others and that men compete too much (Niederle and Vesterlund, 2017). In many instances, however, individuals perform against a standard of excellence set by others. They must satisfy that standard in order to obtain increased rewards. In this paper, we explore the existence of gender differences in competition against a standard by means of a laboratory experiment. Participants answer two rounds of a multiple-choice test on basic economic principles. After the first round, they are given feedback on whether they have surpassed the top quartile performance threshold set by a reference group. Before answering a second multiple-choice test they must choose their payment scheme in that round. They can choose between a piece rate per correct answer, or a scheme where the piece rate is quadrupled if their performance is above the top quartile threshold set by the reference group and zero otherwise. In addition to a control treatment with no feedback, we implement three treatments with feedback but where the standard is different: the actual top quartile performance of a previous group of peers, the top quartile performance expected by peers and the one expected by a group of professors in economics from the same university as the participants. We find that women are less prone to compete against the standard in the absence of feedback. The gap closes when feedback is provided, and the standard is set by peers but widens again if the standard is set by experts. Our results are useful to understand gender differences in self-promotion and how feedback could be employed to reduce these gender differences.

Session II:

Helena Fornwagner, Loukas Balafoutas, Brit Grosskopf: "Predictably competitive: What faces can tell us about competitive behavior"

Competition for limited resources is ubiquitous in social and economic life and has sparked a large body of research on the determinants of competitive behavior. While we know a lot about the role of contextual factors and personality traits, no link has been established between competitive behavior and physical appearance. In this study, we document a strong positive association between attractiveness, measured through ratings of headshots from experimental participants, and the competitive behavior of female participants in the form of opting for a tournament payment scheme in a real-effort task. We also show that individuals are better than chance at predicting the competitiveness of experimental participants, just by looking at participants' headshots. These findings significantly advance our understanding of the factors that underlie competitive attitudes and of the role of observable physical characteristics as telltale signs of behavior.

Session III:

Adrian Nieto Castro, Andrea Albanese, Konstantinos Tatsiramos: "Gender differences in labour mobility after childbirth: Implications for the gender gap in earnings"

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Elisabeth Artmann, Hessel Oosterbeek, Bas van der Klaauw: "Household specialization and the child penalty in the Netherlands"

This paper assesses the importance of household specialization based on comparative advantages as a cause of the earnings penalty that women experience after having their first child. We use Dutch administrative data and various measures of relative within-household earnings potential of households. Our results first confirm previous studies that document a substantial child penalty on women and none on men. Women who have a higher earnings capacity than their partner face lower earnings losses after childbirth and reduce their labor supply less than women with a low relative earnings potential. Yet, men's labor market trajectories are largely unaffected by parenthood irrespective of their relative earnings potential in the household. There is thus no evidence that households divide market work and child care based on comparative advantages or bargaining power. We provide some descriptive evidence that women with high potential earnings rely more on formal child care.

Session IV:

Roberto Nisticò, Maria De Paola, Vincenzo Scoppa: *"Fertility Decisions and Employment Protection: The Unintended Consequences of the Italian Jobs Act"*

We study the effect of a reduction in employment protection on fertility decisions. Using data from the Italian Labor Force Survey for the years 2013-2018, we analyze how the propensity to have a child has been affected by the 2015 Labor Market Reform, the so-called "Jobs Act", which has essentially reduced the employment protection for large-firm employees and leaved largely unchanged that for small-firm ones. We employ a Difference-in-Differences identification strategy and compare the change over time in fertility decisions of women employed in large firms with the change experienced by women employed in small firms. We find that women exposed to the reduction in employment protection have a 1.4 percentage points lower probability of having a child than unexposed women. A battery of robustness checks confirms this finding. Importantly, the effect is also robust to accounting for potential sorting issues by means of an instrumental variable approach. We document large heterogeneous effects by age, marital status, parity, geographic areas as well as by the level of education and wage. Our findings help understand the potential unintended consequences that labor market reforms introducing greater flexibility have on fertility decisions by increasing insecurity on career prospects.

Mahreen Mahmud, Hamna Ahmed, Farah Said, Zunia Tirmazee: "Encouraging Female Graduates to Enter the Labor Force: Evidence from a Role Model Intervention in Pakistan"

Pakistan has gender parity in tertiary enrollment yet labor force participation rates of female graduates is one-third that of the male graduates. We conduct a randomised control trial with 2500 final year female undergraduate students in public colleges in Lahore, Pakistan. A randomly selected half of the sample is shown a video of successful relatable female role models intended to encourage and motivate the students, a large majority of whom expressed a desire to work after graduation. The treated students had a significantly higher growth mindset immediately after watching the video and 18 months after graduating, they are 4-6 percentage points more likely to be working as compared to the placebo group. This result is driven by respondents who belonged to households with lower income and parental education at baseline. These findings suggest light-touch interventions may have the potential to influence female labor force participation.

TriECON

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