

# Ca' Foscari – Harvard Summer School 2018

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## Labor Market Discrimination and the Gender Pay Gap

ECON S-1827

### **Course description**

Gender equality is not only about economic empowerment and efficiency. It is also a moral imperative, it is about fairness and equity, and includes many political, social and cultural dimensions. There is an urgent need to focus on the economic case and on how changes in the labor market might provide better economic opportunities for both men and women, and guarantee the medium/longrun sustainability of economic systems. In this course, we will learn and use the tools of microeconomic analysis to understand how economists model women's economic decision-making, and to gain insight into how micro economic theory can explain some of the changes faced by women. While understanding economic theory, and the benefit of including a gender perspective for this economic theory, is an important component of this course, empirical analysis and examination of data are of primary importance. Historical and cross-national comparisons are essential to building students' understanding of the changing economic roles of men and women. We will focus on the main economic and social (cultural) forces determining discrimination of females in the labor market and its consequences in terms of gender based wage differentials, and we will discuss how these issues have changed over the course of the 20<sup>th</sup> century in Europe and in the USA. In addition to the standard "gender" issue in the labor market, we will also analyze the relationship between sexual orientation and labor market outcomes. The course will be comprised of lectures and student-led discussions.

### **Prerequisites**

Econ S-10 ab or equivalent.

### **Required readings**

- Borjas, G.J. "Labour Economics" 7<sup>th</sup> edition, Mc-Graw Hill. Chapters 6 and 9. It is fine to use previous editions (but do check chapters' correspondence)
- Additional selected papers and readings (as well as several reports from international organizations – OECD, UNESCO, ILO, European Commission etc.) based on general interest, which constitute compulsory reading in order to undertake the exam, will be distributed during the course directly by the instructor.

### **List of main topics:**

- Labour market differences: human capital approach
- Theory of labour market discrimination: types of discrimination, economic consequences of discrimination
- Labour market differences by gender: historical and cross-national comparisons of occupations and earnings
- Introduction to regression analysis (main lesson or TF session -TBA)
- Economic explanation for gender wage gap. Supply side (choice) explanations: education, experience, occupational choices (horizontal and vertical segregation).
- The role of Social norms (institutions) in Education and Employment. Embedding gender equality in public policy
- Economic explanation for gender wage gap. Demand side explanations: discrimination

- Disentangling the potential of discrimination from other explanations of the gender wage gap
- Not only gender. Alternative sources of discrimination: Beauty, Sexual orientation. Empirical and experimental evidence

### Grading

Participation	30%	<i>This part of the grading will be evaluated based on the demonstration of having done the readings, willingness to answer questions, and attention and response to classmates.</i>
Presentations	30%	<i>This part of the grading will be based on the presentation of a paper suggested by the teacher and on the student's ability to link it to related contributions in the literature.</i>
Final Examination	40%	<i>The exam will consist in the elaboration of a short essay related to a particular topic presented during the course.</i>

**NB:** Master's students ("studenti a livello magistrale") and all other students at graduate level will be given extra work for grading purposes.

### Policies and procedures

Attendance is required and considered as part of the grading. Any absence must be registered by the CFHSS office (email [cafoscari-harvard@unive.it](mailto:cafoscari-harvard@unive.it)). All work submitted for this course must be the student's own and must follow proper citation procedures. All students are required to read in advance the policies on "Plagiarism and Collaboration" in the Handbook for Students at <http://hvrd.me/iXiaLD>. Please familiarize yourself with the **Guidelines for Using Sources**: <http://bit.ly/cQK9A3>. Other guides to reading, writing, and research are available on the course website: <http://hvrd.me/yYGeJy>

### Seminars

Lesson	Title and Description	Dates
1 2	Introduction. Occupation and earnings: human capital approach Labour market discrimination: types of discrimination, economic consequences of discrimination	Tue June 26 Thu June 28
Readings	<ul style="list-style-type: none"> <li>• Borjas, Labour Economics, Chapter 6, Chapter 9</li> </ul>	
3	Labour market differences by gender: historical and cross-national comparisons of occupations and earnings	Tue July 3
Readings	<ul style="list-style-type: none"> <li>• ILO (2016): Women at Work–Trends, International Labour Office, Geneva</li> <li>• Tackling the Gender Pay Gap in the EU: Publications Office of the European Union, 2014</li> <li>• 2017 Report on equality between women and men in the EU</li> <li>• Barro, R.J. and J-W Lee (2010), A new data set of educational attainment in the world, 1950-2010, WP 15902, NBER Working Paper Series.</li> </ul>	
4	Economic explanation for gender wage gap. Supply side (choice) explanations: education	Thu July 5

Readings	<ul style="list-style-type: none"> <li>• Schultz P. (2002), Why Governments Should Invest More to educate Girls</li> <li>• OECD (2017), Education at a Glance, OECD Publishing, Paris.** UNESCO (2018), Global Education Monitoring Report: Gender Review–Creating Sustainable Futures for all.**</li> <li>• PISA (2015): Excellence and Equity in Education.</li> </ul> <p><b>**Only a few parts of these reports will be considered (and will be indicated during the course).</b></p>	
5	Economic explanation for gender wage gap. Supply side (choice) explanations: employment and entrepreneurship. Horizontal and Vertical Segregation – “Glass Ceiling”	Tue July 10
Readings	<ul style="list-style-type: none"> <li>• ** OECD (2015): Enhancing Women’s Economic Empowerment through Entrepreneurship and Business Leadership in OECD Countries</li> <li>• Bettio, F. And A. Verashchagina (2009), Gender Segregation in the Labour Market. Root causes, implications and policy responses in the EU, European Commission ***</li> <li>• Albrecht, J., Bjorklund, A. And Vroman, S.(2003), Is there a glass ceiling in Sweden?, Journal of Labor Economics,Vol. 21 , No. 1, pp. 145-77.</li> <li>• Arulampalam, W., Booth, A. L. and M. L. Bryan (2007), Is There a Glass Ceiling over Europe? Exploring the Gender Pay Gap across the Wage Distribution, <i>Industrial and Labor Relations Review</i>, Cornell University, Vol. 60, No. 2, pp. 163-86.</li> <li>• Buddelmeyer H., G. Mourre, and M. Ward (2005), Part-Time Work in EU Countries: Labour Market Mobility, Entry and Exit, <i>European Central Bank Working Papers</i>,n. 460.</li> <li>• Dela Rica, S., Dolado, J. And Llorens, V.(2008), Ceilings or floors? Gender wage gaps by education in Spain, <i>Journal of Population Economics</i>, Vol. 21, No. 3, pp. 777-78.</li> <li>• Olivetti, C. and B. Petrongolo (2008), Unequal Pay or Unequal Employment? A Cross-Country An alysis of Gender Gaps, <i>Journal of Labor Economics</i>, vol. 26 (4), pages 621-654.</li> <li>• Jütting, J., A. Luci and C. Morrisson (2012), Why Do So Many Women End Up in Bad Jobs?A Cross-Country Assessment, <i>European Journal for Development Research</i>.</li> <li>• Alesina A.F., F. Lotti, and P. E. Mistrulli (2012). Do Women Pay More for Credit? Evidence from Italy, <i>Journal of the European Economic Association</i></li> <li>• Sabarwal, S. and K. Terrell (2008), Does Gender Matter for Firm Performance? Evidence from Eastern Europe and Central Asia, IZA Discussion Paper Series, No. 3758</li> <li>• OECD (2016): Entrepreneurship at a Glance 2016 **</li> </ul> <p><b>** only parts of these reports will be considered.</b></p>	
6	The role of Social norms (institutions) in Education and Employment. Embedding gender equality in public policy.	Thu July 12

Readings	<ul style="list-style-type: none"> <li>• ** Social Institutions and Gender Index: <a href="http://www.genderindex.org/">http://www.genderindex.org/</a></li> <li>• Kahn and Lyon (2015): Measuring children’s work in South Asia, Perspectives from national household surveys, ILO.</li> <li>• Gay, Victor and Hicks, Daniel L. and Santacreu-Vasut, Estefania and Shoham, Amir (2017): Decomposing Culture: An Analysis of Gender, Language, and Labor Supply in the Household. Rev Econ Household.</li> <li>• UNICEF (2005): Early Marriage a harmful traditional practice.</li> <li>• UNFPA (2012): Marrying Too Young End Child Marriage Published by the United Nations Population Fund, New York.**</li> <li>• S.Drefahl (2010); How Does the Age Gap Between Partners Affect Their Survival?, Demography; 47(2): 313–326 (OPTIONAL) IMPACCT (2014): Impact of Conditional Cash Transfers on Girls’ Education</li> <li>• UNESCO (2015): Education for All 2015 National Review, Brazil 2000 – 2015**</li> <li>• Akgunduz, Y. E. and Plantenga J. (2011): Labor market effects of parental leave: a European perspective. Utrecht School of Economics Tjalling C. Koopmans Research Institute Discussion Paper Series 11- 09</li> <li>• Rossin–Slatter, Metal. (2013): The Effects of California’s Paid Family Leave Program on Mothers’ Leave Taking and Subsequent Labor Market Outcomes, Journal of Policy Analysis and Management, Vol. 32, No. 2, 224–245</li> </ul> <p><b>** only parts of these reports will be considered.</b></p>	
7	Economic explanation for gender wage gap. Demand side explanations: discrimination. Empirical and Experimental evidence	Tue July 17
Readings	<ul style="list-style-type: none"> <li>• Bertrand, M. and Mullanaithan, S. (2004): Are Emily and Greg more employable than Lakisha and Jamal? A field experiment on labor market discrimination. American Economic Review.</li> <li>• Altonji, J. G. And Blank, R. M. (1999): Race and Gender in the Labor Market, Handbook of labor economics, vol. 3C.</li> </ul>	
8	Disentangling the potential of discrimination from other explanations of the gender wage gap. Introduction to empirical analysis.	Thu July 19
Readings	<ul style="list-style-type: none"> <li>• Blau and Kahn (2016), The Gender Wage Gap: Extent, Trends, and Explanations, IZA discussion paper, N. 9656</li> </ul> <p><b>Additional reading will be indicated during the course.</b></p>	
9	Not only gender. Alternative sources of discrimination: Beauty, Sexual orientation	Tue July 24

Readings	<ul style="list-style-type: none"> <li>• Becker, G. S (1981): Treatise on the family, Harvard University Press, Cambridge</li> <li>• Bladgett, M.V.L. (1995): The Wage Effect of Sexual Orientation Discrimination, Industrial and Labor Relation Review</li> <li>• Badgett, Sears, Lau, Ho, Chi-Kent Review (2009): "Bias in the workplace: consistent evidence of sexual orientation and gender identity discrimination</li> <li>• Black, D. A. et al. (2003): The earning effect of sexual orientation, Industrial and Labor Relation Review</li> <li>• Plug, E. and Berkhout, P. (2004): Effect of Sexual Preference on Earning in the Netherlands, Journal of Population Economics</li> <li>• Carpenter, C. S. (2005): Self Reported Sexual Orientation and Earnings: Evidence from California, Industrial and Labor Relation Review</li> <li>• Carpenter, C. S. (2008): Sexual Orientation, Work and Income in Canada, Canadian Journal of Economics</li> <li>• Patacchini, E. et al. (2015): Unexplored Dimension of Discrimination in Europe: homosexuality and physical appearance, JPE</li> <li>• Mize, T. D. (2016): Sexual Orientation and Labor Market Outcome, American Sociological Review.</li> <li>• Aboukhsaiwan, O. (2015): Marriage equality, Labor (In) equality: the Impact of Same Sex Marriage Legalization on the Labor Outcomes of Lesbians Women, Wharton School</li> <li>• Hamermesh, D. S. And Biddle, G. E. (1994): Beauty and the Labor Market, The American Economic Review, Vol. 84, No.5, pp. 1174-1194</li> <li>• Atella, V. et al. (2008): Are employers discriminating with respect to weight? European Evidence using Quantile Regression, Economics and Human Biology 6, 305-329</li> </ul>	
<b>10</b>	Presentation Session 1	Thu July 26
<b>11</b>	Presentation Session 2	Tue July 31
<b>12</b>	<b>Final Examination</b>	Thu Aug 2