

Globalization and the Gender Gap

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The Research Question

- What is the effect of globalization on gender equity?
- What mechanisms at work?

- Globalization affects factor prices (comparative advantage)
- When male and female labor are not perfect substitutes:
changes in female wages, i.e. opportunity cost of female labor
- Globalization has heterogeneous effects on the gender gap

- Countries with a comparative advantage in “female-labor-intensive” sectors will exhibit:
 - higher female lfp
 - lower fertility
 - more progressive views on gender

- Becker (1960) meets Ricardo
- Specific-factors models of growth and fertility: Becker (1981, 1985) ; Galor and Weil (1996)
- Factor prices and attitudes towards women: Alesina et al. (2013)
- Trade and gender equity: Galor and Mountford (2009); Saure and Zaobi (2011a,b); Rees and Riezman (2011); Black and Brainerd (2004); Oostendorp (2009); Aguayo-Tellez (2010); Ural Marchand et al. (2011)

- Female labor force participation: I2D2: International Income Distribution Database
 - unbalanced panel (1981-2011) compiling and standardizing all labor force and household surveys across the world (a total of 553 surveys)
 - 96 countries [and counting] with an average of 5.76 years per country
- Fertility variables: World Development Indicators
- Attitudes towards women: World Value Surveys

- Each sector employs varying fraction of female labor: UNIDO Industrial Statistics Database (INDSTAT4)

ISIC Code	Sector Name	Dependence
151	Meat, fish, fruit, vegetables, oils and fats	0.36
152	Dairy products	0.25
153	Grain mill, starch products, and prepared animal feeds	0.20
154	Other food products	0.39
155	Beverages	0.23
160	Tobacco products	0.33
171	Spinning, weaving and finishing of textiles	0.37
172	Other textiles	0.47
173	Knitted and crocheted fabrics and articles	0.62
181	Wearing apparel, except fur apparel	0.71

- Each country will export varying quantities of goods from each sector: COMTRADE
- Female-Labor Needs of Exports:

$$FLNX_{ct} = \sum_s \omega_{sct} FL_s$$

<i>Highest Female Labor Need of Exports</i>		<i>Lowest Female Labor Need of Exports</i>	
Lesotho	0.650	Algeria	0.146
Haiti	0.572	Angola	0.144
Bangladesh	0.557	Kazakhstan	0.141
Mauritius	0.528	Venezuela, RB	0.140
Sri Lanka	0.525	Saudi Arabia	0.138
Honduras	0.486	Kuwait	0.138
Cambodia	0.485	Nigeria	0.137
El Salvador	0.471	Gabon	0.137
Nepal	0.465	Iraq	0.135
Dominican Republic	0.461	Libya	0.134

$$Y_c = \alpha + \beta FLNX_c + \gamma Z_c + \varepsilon_c$$

or in panel specification:

$$Y_{ct} = \alpha + \beta FLNX_{ct} + \gamma Z_{ct} + \eta_c + \eta_t + \varepsilon_{ct}$$

- Sectoral gravity specification (Frankel and Romer, 1999) to predict bilateral export shares (at the sector level): Do and Levchenko (2007); di Giovanni and Levchenko (2009)
- Predict export shares: predicted *FLNX* as an instrument for actual

Dependent Var. (Log) FLNX			First Stage			
(Log) Predicted FLNX			3.23*** (0.342)	3.04*** (0.373)		
(Log) Predicted FLNX (out of sample)					2.43*** (0.469)	
(Log) Predicted FLNX (Poisson)						1.00*** (0.201)
F-test			43.02	34.69	32.21	27.24
First Stage R^2			0.400	0.534	0.402	0.392
Region Dummies		no yes	no	yes	yes	yes
Observations		145 145	145	145	145	145

- Construction of female labor force participation dataset
- Estimations: OLS, 2SLS and FE (panel)

- Country-level data on labor force participation: WDI or ILO's KILM (Key Indicators of the Labor Market)
- KILM relies on national surveys, and aggregation done by national statistics offices
- Years of missing surveys: imputation from various models

I2D2 versus KILM

LFP (all)

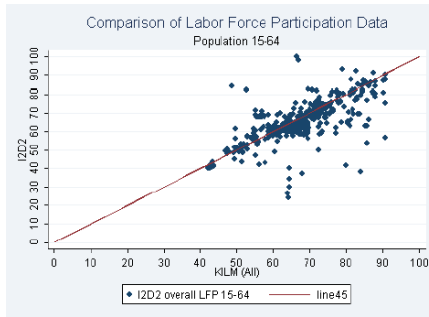


Figure 1: All KILM Data

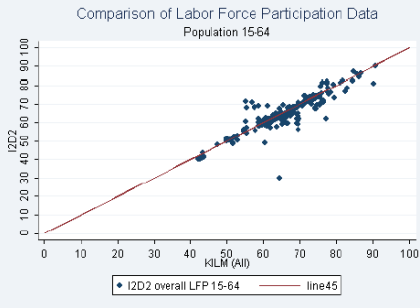


Figure 2: 'As Reported' KILM Data

I2D2 versus KILM

Female LFP

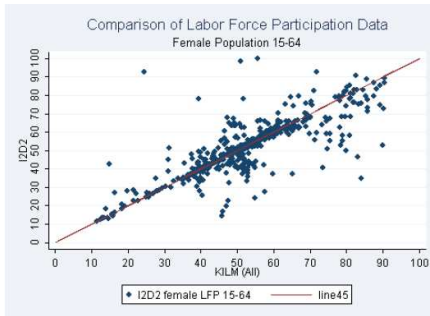


Figure 3: All KILM Data

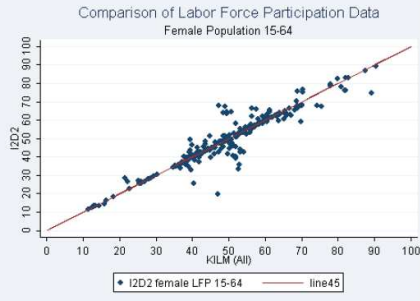


Figure 4: 'As Reported' KILM Data