The writers, Economics Nobel Winners in 2019, are professors at MIT.

2019’s Economics Nobel Laureates write on this year’s winner, Claudia Goldin, whose work is directly relevant to understanding why so few women in India are in paid work and how that can be changed.

Suppose we were to tell you that there is a large country where the fraction of women in the labor force is no more than a quarter and that only 6% of married women are in the labor force. Moreover this number has been drifting down, and that probably has something to do with the move away from agriculture in the economy towards manufacturing, where the jobs are seen as too heavy and dirty for women. However, as often with these moves to “protect” women from the harshness of the world, there is a strong element of sexism involved—the prevalent
social norm is that only women whose husband could not support the family should work. Given the rising earnings of male workers this meant that it became harder and harder for married women to work outside their home without making their husbands feel inadequate.

You would think it is India, no?

It is in fact the United States at any time between 1830 and 1930, as we learnt from Claudia Goldin who won this year’s Nobel Prize in Economics. The third woman to do so, and the third economic historian, after Simon Kuznets and his PhD student Bob Fogel, who in turn was Claudia’s PhD advisor, whose main work is on the history of women in the labor market. The focus is on the US, but there are obvious and important implications for India.

What we also learn from Claudia’s research is that this was not always the case—in 1790, 60% of women in the US worked, which was not very different from the corresponding rate for men (then, like now, those at the beginning of their adult life and those near the end didn’t work as much). It went down steeply in the early 19th century and stayed down into the first quarter of the 20th century, and only started to go up in the 1930s.

The US today is very different. While it is still true that women work less than men, the difference is not huge. 47% of the US labor force is female today. Claudia argues that this is partly the result of the growth
in office jobs mostly in the service sector, starting in the last years of the 19th century—jobs in banking, insurance, school-teaching and nursing, for example—which were seen as appropriate for women.

But history played its role as well. It is no accident that the turn-around takes place in the 1930s, when the Great Depression forces women to seek employment for sheer economic survival. The economy revives by the end of the 1930s, but starting in 1941, as America men go off to fight in the second world war, the US government tries to reverse the hundred-year old stigma against women working in factories with, among other things, posters of the marvelously muscled mythical machinist, Rosie the Riveter. The impetus of that moment of liberation carries through the 1950s, and then merges into the broader social movements of the 1960s and after. Women’s labor force participation has stayed high since despite the occasional wobble.

As many have noted, this move to make use of the talents of women is an important part of the growth of any successful economy and potentially a brake on India’s aspiration to be a great economic power. After all, a large and increasingly well-educated part of our potential labor force is not being used. The good news is that the norm eventually shifted in the US. Let’s only hope that it is not necessary to go through a Great Depression and a World War to get there.
But shifting the norm is only half the battle. Claudia's other important point is that to take full advantage of the many talents that women bring to the labor force we need other changes in the economic and social structures. Claudia has a beautiful piece of research showing evidence of discrimination against women: she showed that when a certain Symphony Orchestra went from auditions where the musicians could be observed, to blind auditions, women started to get more of the coveted positions. Even in this exceedingly rarified setting where the goal is supposedly to find the best, prejudice plays a major role.

Despite that, she believes that the biggest thing preventing women from rising to the very top in today's USA, is less discrimination than the do-or-die nature of high-powered jobs. Women in the end, Claudia believes, give up opportunities because they would like to also have a life where they don't worry about spending enough time with their children and other loved ones. The lack of availability of affordable high-quality childcare and elderly care in the US, even relative to most European countries, makes the challenge that much harder for younger women.

In India these issues are not yet properly in the policy space—very little is being done by governments to bring women into the workplace. The obligations placed on married Indian women at home (between running the home and taking care of the children and the elderly) are so demanding that a regular job outside of
the home is hard to manage. But unlike in the US a hundred years ago where women worked till they got married, even young unmarried women are missing in the Indian work scene, the combined result of parental paranoia and the very real lack of physical security in and outside the workplace. We hope that this prize, highlighting the forces that prevent women from working, will inspire an effort to change this.

TOP COMMENT

Honestbystander
1 hour ago

Sitting with 1 B USD in US he writes what India has to do. Fraud fellow.

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