



COSME Gender Economics Workshop

Madrid, May 28-29, 2015

ABSTRACTS

Session 1: “An Equilibrium Trade-Off between Age and Qualification? Evidence from Marriage Market Adjustments over a UK Educational Reform”

We present an analysis of the marriage market reaction to an educational reform, which substantially increased the qualification rate among both men and women. Since there is typically a positive age gap between husbands and wives, the reform created a version of a “temporary imbalance” that we use to explore the tradeoff between partner age and qualification. Moreover, the setting also provides unique insights into how and why qualifications are valued in the marriage market. The empirical response to the reform leads us to formulate a model with asymmetric information in the marriage market, where an academic qualification acts as a signal about the individual’s underlying quality.

Session 2: “Female employment and pre-kindergarten: on the unintended effects of an Italian reform”

This paper investigates the relationship between the availability of low cost childcare services and maternal labour supply in Italy. By means of a job search model we show that, when market child care is needed both when looking for a job and when working, a price reduction of childcare boosts maternal labour market participation, but has an ambiguous effect on the reservation wage and, thus on the probability of being employed. Exploiting the discontinuity in the rule that determines children's eligibility to pre-kindergarten in Italy, we test the predictions of our model and evaluate the effects of a policy reform which expanded access to kindergarten using first a Sharp Regression Discontinuity design and then a Difference in Discontinuities approach. Our results show that the possibility of anticipating the child's entry to kindergarten, a much cheaper alternative to daycare, increased both participation to the labour market and the employment probability of mothers. We show that the latter effect is largely driven by a decrease in the stated reservation wage.

Session 3: “The Geography of Social Change”

We investigate how and when social change arises. We use data on the spatial diffusion of the fertility transition across US counties to identify the contribution

of coordination and learning in the emergence of a new family model. We provide several measures of local and global spatial correlation to establish the existence of a significant geographic pattern in the data. We propose a mechanism in which cultural assimilation is the engine of the fertility transition. Using Census data starting from 1800, we estimate the speed of fertility assimilation for the different ethnic groups to show that their process of convergence is a crucial channel to explain the aggregate decline of fertility rate over time and across space.

Session 4: “Identifying the effect of targeted money transfers on women's empowerment”

This paper studies how targeting cash transfers to women affect their empowerment. We use a novel identification strategy to measure women's willingness to pay for receiving cash transfers instead of their partner and we implement it among women living in poor households in urban Macedonia. Firstly, we provide evidence that a unitary model is rejected in our setting. Secondly, we match experimental data with a unique policy intervention in Macedonia offering poor households cash transfers conditional on having their children attending secondary school. The program randomized CCT payments to household heads or mothers at municipality level, providing an exogenous source of variation in the way respondents experienced gender-targeted transfers in the recent past. We show that women who experienced woman-targeted cash transfers presents a lower willingness to pay, in line with theoretical predictions.

Session 5: “Women and Careers: Skill-Specific Atrophy and Repair”

We present and test the theory that women rationally select occupational paths through preferences for skills that are both resilient and repairable when faced with work gaps. Using the NLSY and O*net, we show that college educated women avoid occupations requiring significant math skills due to the costly skill atrophy experienced during a career break. In contrast, verbal skills are very robust to career interruptions. The results support the broadly observed female preference for occupations primarily requiring verbal skills - even though these occupations exhibit lower average wages. Thus, skill-specific atrophy during employment leave and the speed of skill repair upon returning to the labor market are shown to be important factors underpinning women's occupational outcomes. This research suggests that a substantial portion of female occupational sorting could be determined by skill-specific atrophy-repair characteristics.

Session 6: “The Math Gender Gap: The Role of Culture”

Guiso et al., Science 2008, find that "girls' underperformance in math relative to boys is eliminated in more gender-equal cultures", suggesting the important role of the environment behind the math gender gap. Using the epidemiological

approach, the current paper isolates the role of culture from institutional constraints, and sheds light on a causal interpretation from previous findings. We find that the higher the degree of gender equality in the country of ancestry, the higher the performance of second generation immigrant girls relative to boys. This result is robust to alternative specifications, measures of gender equality and the inclusion of other human development indicators in the country of ancestry. The transmission of culture is higher when ethnic social networks are strong or peer pressure is high. Our results suggest that policies aimed at changing beliefs can prove effective in reducing the gender gap in mathematics.

Session 7: “Selling daughters: teenage marriage, income shocks and bride price tradition”

Cultural and social norms may play a role in supporting economic development, but they can also reduce the wellbeing of some groups. In this paper, we explore how the practice of bride price - a transfer made by the groom to the bride's family at marriage - increases the probability of adolescent and child marriages. We develop a simple dynamic model with incomplete markets in which households who are hit by adverse income shocks have a higher probability of marrying their daughter earlier than in the absence of income uncertainty. To estimate the causal effects of income shocks on early marriages, we exploit exogenous variation in rainfall shocks over a woman's life cycle. Using a 19-years panel dataset from Tanzania, we find that adverse shocks increase the probability of teenage marriages. This is particularly true in the sub-sample of respondents who report a bride price payment at marriage. Finally, numerical simulations of our theoretical model show that improving access to credit markets could substantially delay the age at marriage.

Session 8: “Women ask for less (only from men): Evidence from alternating-offer bargaining in the field”

We study gender differences and gender interaction effects in bargaining. Data from a TV show offer a unique opportunity to observe both bargaining outcomes and behavior, with sizable stakes. The matching between male pro-positors (strong position) and female responders (weak position) is different from all other matchings. No differences are observed in opening offers, but women demand less from men than from women, and when offers follow previous demands men offer less to women than to men. This differential behavior yields bargaining outcomes that are more favorable for men and less favorable for women when male proposers encounter female responders.

Session 9: “Kinship and Consumption: The Effect of Spouses' Outside Options on Household Productivity”

This paper provides a causal reason for failure in productive efficiency in the household and explains why some households may be less efficient than

others. In the theoretical model, spouses make labour allocation decisions in each period to generate income, facing a threat of divorce in the next period. This threat of divorce encourages spouses to invest in their outside options. If decision-making is noncooperative, asymmetric outside options lead to lower productivity. Using exogenous variation in inheritance rules in Malawi as a measure of outside options, the empirical results show that matrilineal households (where women have access to land) have 10% higher consumption than patrilineal households (where women have no access to land). These results are robust to a wide variety of specifications and are corroborated by an analysis of labour allocation and income. The results suggest that variation in spouses' outside options can help explain variation in household productivity.