

# GENDER DIFFERENCES IN LABOUR PRODUCTIVITY & EARNINGS AND STRUCTURE OF EMPLOYMENT

R .P. Shrivastava\*, A. K. Tiwari\*\*

*Gender segregation in employment that is persistent (over time) and consistent (across countries) points toward structural causes rooted in economic and institutional systems, both formal and informal with much commonality across countries at different levels of development and in different found settings we argue that the three factors gender as discussed below condition women's and men's participation in market work and choice of a particular economic activities and jobs.*

## INTRODUCTION

Gender differences in access to Economic opportunities are frequently discussed in relation to gender differences in labour market participation. Even after significant improvement in female labour force participation over the last 20 years, pervasive and persistent gender differences remain in productivity & earnings across different sectors and jobs. Despite their lower earnings and productivity, women are not worse workers(i.e. farmers, entrepreneurs) than man but their lower productivity & earnings are the resultant of their respective differences in economic activities of men and women. Apart from its gender differences in human capital and in the returns to worker and job characteristics also play a role. : Gender differences in access to Economic opportunities are frequently discussed in relation to gender differences in labour market participation. Even after significant improvement in female labour force participation over the last 20 years, pervasive and persistent gender differences remain in productivity & earnings across different sectors and jobs.

It is argued here that despite their lower earnings and productivity, women are not worse workers(i.e. farmers, entrepreneurs) than man but their lower productivity & earnings are the resultant of their respective differences in economic activities of men and women. Apart from its gender differences in human capital and in the returns to worker and job characteristics also play a role. Indeed men's and women's jobs differ greatly, whether across sectors, industries, occupations, types of jobs or types of firms. While these differences evolve with economic development, the resulting changes in the structure of employment are not enough to eliminate employment segregation by gender. So, women all over the world appear to be concentrated in the low productivity jobs.

## Factors Leading to Employment Segregation by Gender

The term employment segregation by gender refers the differences in the kind of jobs men and women do. Although this term is most frequently used to talk about differences in the distribution of male and female wage and salaried workers across industries and occupations. Three main factors responsible for gender segregation inaccess to economic opportunities among all sections of labours are as follows.

---

\* Assistant Prof. (Eco.) J. L. C. College, J. P. U. Chapra, Email-rsrajesh974@gmail.com&

\*\* Associate Prof. (Eco.) J. P. U. Chapra, Email-ajitktiwary@gmail.com

- a. Gender differences in time use.
- b. Gender differences in access to productive inputs and
- c. Gender differences stemming from market and institutional failures.

It is precisely this interaction of segregation with gender differences in time use, access to inputs and market and institutional failures that traps women in low paying jobs and low productivity business. Breaking out of this productivity trap thus requires intervention that lift time constraints increase women's access to productive inputs and correct market and institutional failures.

## **Understanding Gender Differences in Productivity & Earnings**

Gender differences in productivity & earnings are systematic and persistent. It is well across sectors and countries either developed or developing, but declining over time primarily due to declining educational gap. There exists a gap between earnings of male and female workers starting from farming, entrepreneurship, salaried worker i.e. from formal to informal sectors as well as, where women often do casual piece of work. But gap tends to be smaller in public sector. Three possible explanations can be identified behind the gender differences in productivity & earnings e.g. differences in characters of male and female workers, differences in the types of activity and nature of jobs and differences in the returns to both worker and job characteristics. We argue here that while differences in worker characteristics (especially human capital) and return matters. It is primarily differences in jobs that acural for the gender groups in productivity & earnings.

- a. Gender groups in education s experience: Lower educational alignment allied with child being whole put a point in explaining gender groups in productivity in earnings through skill and experience. Shortage in case of women with respect to men.
- b. Gender differences in returns to humans capital and other productive in parts: Differences in returns could explain gender differences in productivity & earnings if gender matters in production and in determining wages beyond systematic differences in individual and job characteristics between men and women.

## **Employment Segregation by Gender: An Explanation**

Economic development brings new economic opportunities leading to market price changes and wages may change to signal where labour productivity is potentially highest and workers are in great demand. However, it is not clear, how these changes in economic activity and structure of employment affect employment outcomes and ultimately employment segregation by gender.

- a. Gender , Time use and Employment segregation :- Time is a resource and can be used in two basic ways survival velated personal activities and other productive activities (discretionary time) . Gender differences in discretionary time translate into differences in the capacity of women and men to engage in all non survival activities, including market oriented wage employment activities. The second idea is that time can complement other production inputs. In this sense, both the availability of discretionary time and its amount and predictability may affect the capacity of different individuals to take an specific type of activities.

The discussion focuses on gender differences in time allocated to three main categories of productive activities: housework, care and market or paid work.

Significant and systematic gender differences in time use can be characterised by three stylized facts. First women work more than men once all productivities are taken into account. Second, women bear the burnt of house work and care while men are mostly responsible for market

work, although degree of specialization varies across countries. Third, gender differences in time use patterns are primarily driven by family formation. Marriage significantly increases the time devoted to house work for women but not for men.

Gender differences in time use imply that women face important fixed costs associated with market work and thus are more likely to value flexible work arrangements and fewer hours of market work than men.

For women looking to do market work, the need to continue to attend to house work and care work often implies that jobs offering flexibility or allowing for easy entry into and exit from the labour market are particularly attractive. These choices are sometimes associated with a potential risk of channelling women into lower quality jobs and weakening their labour market attachment. Women's weaker labour market attachment and less control over resources over their working life time translate into greater economic insecurity, less economic independence and lower access to pensions and other safety nets.

The extent to which women are able to market activities is a function of existing institutional constraints as illustrated below.

- i. Time and markets: The impacts of returns to market work and child care-Women's capacity to respond to stronger economic incentives to participate in different market oriented activities depends on labour markets.
  - ii. Time and formal institutions: Basic service delivery and flexible working arrangements:-Institutions can also affect time use by changing the relative productivity of men and women in unpaid work and by reducing transaction costs associated with market work.
  - iii. Time and informal institutions: Preferences and social norms:-Social norms about gender roles in the economic sphere also influence women's employment outcomes.
- (b)** Gender differences in access to productive inputs and Employment segregation:-Productive inputs determine the scale of production, investment and growth. Gender differences in access to land and credit that also determines both the access to other inputs and the scale and mode of production has its impacts on employment segregation by gender.

Gender differences in access to land and credit are likely to translate into gender differences in production. Gender differences in access to land, credit and labour also affect women's capacity to access markets and take advantages of new economic opportunities. Credit constraints are also a serious obstacle to female owned business creation, investment decisions and growth. Market institutions, households and their interactions-rather than economic development explain gender differences in access to productive inputs as illustrated in points given below.

- i. Market: Discrimination and differential pricing in land and credit markets-Market prices can constrain women's access to inputs, particularly credit disproportionately.
  - ii. Formal institutions: Land rights, land distribution programmes and financial regulations-Institutional structures in land and credit markets often disadvantage women.
  - iii. Informal institutions: Gender based preferences and intra household allocations of productive resources-Gender based preferences can lead to unequal resource allocations to men and women in the same household.
- (c)** Gender Impacts of "Aggregate" Market and Institutional Failures-Market failure in information can affect employment outcomes of men and women and therefore contribute to employment segregation by gender. The institutional failures also lead to employment segregation by gender. Institutions conceived to serve men and women equally can have unintended differential impacts on gender outcomes. Labour legislation and other practices regulating the functioning

of labour markets can have significant gender impacts. In some cases the legislation itself focus on gender, in others legislation is meant to be gender neutral, but its effect is not. Practices of hiring and personnel management can also hurt women.

### **Breaking out of the Productivity trap: Some Suggestions**

There is a feedback loop between employment segregation and its causes. This feedback loop between the main causes of employment segregation itself, together with mutually reinforcing market and institutional constraints are the main reasons why women appear to be in productivity trap.

Breaking out of this trap requires interventions that lift time constraints and increase access to productive inputs among women and that correct market and institutional failures. Increasing gender equality in access to economic opportunities can have large impacts on productivity. More firms realize that promoting women's economic employment can be a win-win situation for business and women. For breaking out of this trap, successful interventions will depend on adequately identifying and targeting the most binding constraints in each context, while acknowledging the problem of multiple constraints, perhaps by sequencing policies. This payoff from breaking out of the productivity traps will be apparent on several critical fronts. And in an economically integrated world, even modest improvements in the efficiency of use of resources can have significant effects, giving countries with less discrimination and more equality a competitive edge.

### **References**

- Anderson, Patricia and Philip B. Levire 2000, Child care and Mother's employment decision in finding jobs, Russel sage foundation, New York.
- Bardasi, Elena 2011, Improving employment opportunities for women in developing countries, WB, Washington D.C.
- Becker, Gary S, 1957. The economics of discrimination, Chicago University press.
- Blau, F.D., Lawrence, M. Kahan, 2000, Gender differences in pay, Journal of economic perspectives, 14(4):75-99.
- Cuberes, David and M.T. Burque. 2011, "Gender inequality and Economic growth". Backward paper for WDR 2012.
- Golden, C. And Lawrence, F.K. 2000. Transition, carrer and family life cycles for the educational elite, American economic review 96(2) 1-21.
- Hurst, Erick."The allocation of talent and economic growth", Chicago book Chicago.
- Terrell, K. 1992 "Female male earnings differential and occupational structure." International Labour Review. 131(4-5). 387-404.
- United nations development of economic and social affairs, 2009. World survey on the role of women in development. New York. United Nations.
- World Development Report, 2012, Chapter 5.