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# Why We Haven't Fixed Gender Inequality at Work



By [Alexandra Roulet](#) , INSEAD

**Research by Claudia Goldin, the 2023 Nobel Prize winner in Economics, offers ground-breaking insights about a long-standing problem.**

On 9 October 2023, Harvard University professor Claudia Goldin was honoured with the Nobel Prize in Economics for her research.

I applauded this news, like the whole profession but specifically so as a former Harvard University graduate student, as a labour economist, now at INSEAD, and as a female in the field. It's hard to overstate how much of a pioneer Goldin is. When she began working in the 1970s, it was nearly impossible for a woman to have both a family and a career (not just work, but a true career). Goldin chose the latter – and went on to build a body of research that has forever changed our understanding of women at work. By analysing gender disparities in the labour market over 200+ years, she has explained the history and scale of gender inequality, identifying the main causes of the gender wage gap and discrepancies in labour participation.

These three insights from Goldin’s body of work help explain why gender inequality remains a problem in the labour market – and what it will take to reach parity.

### **1. Having a child almost always hurts a woman’s career.**

In one of her very well-known studies, Goldin and her co-authors Marianne Bertrand and Lawrence Katz examined the pay of MBA graduates over a 15-year period. They found that, in the first few years after business school, the pay gap between men and women was minimal, with pay differences mostly explained by occupational differences. However, about ten years after graduation, men and women had very notable differences in pay.

What changed? In nearly every case, the shift came after the birth of a woman’s first child. The gender pay gap that then arises can be accounted for in large part by differences in career interruptions and in weekly hours.

Therefore, addressing wage inequality starts with achieving equity within households – that is, achieving a fair division of domestic labour. As Goldin wrote, “We’re never going to have gender equality until we also have couple equity.”

### **2. So long as “greedy work” exists, wage inequality will persist.**

“Greedy work”, a term coined by Goldin, describes the high-pressure, high-paying jobs that expect an individual to work long hours and sacrifice personal time for the sake of their employer (e.g. jobs in finance or law). Men are more likely than women to accept greedy work because, in general, they don’t carry as many domestic duties and have more flexibility for work. This contributes to wage inequality, as greedy work tends to be highly lucrative.

### **3. Progress towards gender equality has not been linear.**

In the past two centuries, women’s wages and labour-force participation have not followed a linear increase. Instead, they’ve resembled a U-shaped curve.

By analysing census data from the 18th century, Goldin found that women worked *more* (in family businesses like small shops and on farms) than previously thought. The misconception stems from the fact that women were listed as “wives” rather than “workers” in the census records.

In the 19th century, women's participation in the workforce declined as the economy moved away from agriculture and craftsmanship towards industry, and it was deemed socially unacceptable for married women to work outside the home. However, some young or unmarried women began working in factories as the Industrial Revolution took hold.

As the service sector began to expand in the late 19th to early 20th century, women's participation in the labour market was largely unchanged; it was the same women working but transitioning from the factory or being a maid to holding office jobs. Meanwhile, with this change in occupation, women's wages increased.

From the 1930s onwards, women's participation in the workforce started to increase. That's because married women began taking office jobs, after they had children. By the 1970s, workforce participation increased further as women started marrying later, furthering their education and aspiring to have more ambitious careers. The advent of birth control pills was key to this shift, as women were able to postpone having children or forego motherhood altogether.

Today, women no longer need to choose between having a career and having a child. It's feasible to have both, even if it comes with personal or professional sacrifices. Compared to what Goldin experienced in her youth, this is progress. But of course, as her research indicates, our work is far from done.

#### **Find article at**

<https://knowledge.insead.edu/responsibility/why-we-havent-fixed-gender-inequality-work>

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