



# On the nature of nurture. The malleability of gender differences in work preferences

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## ABSTRACT

We study the malleability of gender-specific preferences for work by exploiting the German division and reunification as a natural experiment. We test whether the two political systems have shaped gender gaps in preferences differentially, based on German-General-Social-Survey data from 1991, 1998 and 2012, an extensive set of register data and historical data from the 19th and early 20th century. Our analyses reveal a substantial East-West difference in the gender gap directly after reunification and no convergence thereafter. A cohort analysis illuminates the mechanism, as the effect is driven by cohorts who grew up during separation, and suggests that institutions, not cultural legacy, are the decisive component.

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## 1. Introduction

Despite the enormous progress toward gender equality in most Western societies over the past several decades, women still earn less than men on average, are less likely to be active in the labor market, work in different jobs, supply fewer hours of work, and are more likely to interrupt their employment for child-rearing or to provide other family-related services (OECD, 2017). Recently, economists have devoted much attention to preferences as an important driver for these differences in economic outcomes. Over the past 20 years, they have produced a battery of empirical studies on gender differences in preferences for risk, competition and regarding others (for an overview, see Bertrand, 2011; Croson and Gneezy, 2009).<sup>1</sup> While the preference measures in question stem mostly from artificial laboratory settings, recent evidence shows that they are in fact quite strong predictors for real world decisions that directly affect labor market outcomes (Buser et al., 2014; Reuben et al., 2017). Furthermore, recent studies demonstrate that a sizable part of the gender earnings gap among US college graduates is explained by preferences regarding career, family, and job attributes (Grove et al., 2011; Wiswall and Zafar, 2017).

Against this background, a better understanding of how gender differences in preferences evolve seems essential in order to devise policies promoting gender equality in labor market outcomes. The effectiveness of available strategies likely hinges on the malleability of men's and women's tastes for career vs. family work. It is for this reason that we investigate the "nature of nurture", i.e. the impact of policy on gender differences in work preferences in the context of Germany.<sup>2</sup> The

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<sup>1</sup> See also Nelson (2014) and Filippin and Crosetto (2016) for a critical assessment of magnitude and economic relevance of gender differences in preferences for risk.

<sup>2</sup> Our goal is not to get to the bottom of the nature versus nurture debate, as our analyses do not allow drawing conclusions regarding a potential biological foundation of gender differences in preferences, nor its precise interaction with the societal environment. Instead, we investigate the social

division of the country after WWII into distinct political systems, and its reunification in 1990, provide a natural experiment to study the potential for policy to shape preferences using relatively short-term interventions.

Notwithstanding the rapidly growing number of experimental studies on gender differences in preferences, surprisingly little effort has been made to understand their root causes. Only a handful of field experiments provide valuable insights. [Gneezy et al. \(2009\)](#) study the role of culture and social structure by comparing the gender differences in competitiveness across a patriarchal tribe in Tanzania and a matrilineal tribe in India, and find that the gender gap is reversed in the latter. [Booth and Nolen \(2012a,b\)](#) examine gender differences in competitiveness and risk behavior across school types (mixed-sex versus single-sex schools) and detect a gender gap only among mixed-sex, but not among single-sex school students.<sup>3</sup> [Bertrand \(2011\)](#) raises concerns about the “evolutionary distance” between the societies compared by [Gneezy et al. \(2009\)](#), and, in the case of the ([Booth and Nolen, 2012a; 2012b](#)) experiments, about selection into the different school types. Both concerns are less pressing in our study of Germany: We compare two societies of presumably minimal evolutionary distance since East and West Germans share a common past and cultural identity up to the artificially imposed separation after WWII. Moreover, a “selection” of individuals into the different Germanies did not occur, at least at the time of the separation.<sup>4</sup> Our study is the first that builds on a natural experiment and real-world preference measures to analyze the role of culture and institutions in gender-specific preference formation. Notably, we are not the first to suspect that culture and institutions affect female labor market outcomes. To the extent that the outcomes studied by [Alesina et al. \(2013\)](#), [Fernández \(2013\)](#), [Fogli and Veldkamp \(2011\)](#), [Fernández and Fogli \(2009\)](#), and [Fortin \(2005\)](#) (e.g. labor force participation) represent revealed preferences, both culture and institutions have indeed been shown to be influential factors in the formation of gender-specific preferences. What remains an open question, however, is whether their influence evolves in an almost evolutionary process over a long period of time, or whether political interventions can have a short-term impact and gender differences in preferences are malleable.

The German separation and reunification has attracted the interest of several economists who sought to identify the causal impact of differential political regimes on various preference and attitude variables, such as tax morale ([Torgler, 2003](#)), preferences for redistribution ([Alesina and Fuchs-Schündeln, 2007](#)), trust in others and government institutions ([Rainer and Siedler, 2009](#)), gender role attitudes ([Bauernschuster and Rainer, 2011](#)), inequality perceptions and equity norms ([Kuhn, 2013](#)), conspicuous consumption ([Friehe and Mechtel, 2014](#)), attitudes toward work ([Campa and Serafinelli, 2016](#)), or behavioral variables such as college attainment and labor market outcomes ([Fuchs-Schündeln and Masella, 2016](#)). Our study extends this literature by providing the first analysis of the impact of political regimes on *gender differences* in preferences. [Friehe and Mechtel \(2014\)](#) also note an overall gender gap in conspicuous consumption, but do not study to what extent it was shaped differentially by the two political regimes. Most closely related to this paper, the study by [Bauernschuster and Rainer \(2011\)](#) provides us with important insights regarding the cultural norms and attitudes toward working mothers and wives in the Eastern and Western parts of Germany. However, their focus is not on gender differences in these attitudes, and they examine neither the effect of length of exposure to GDR institutions nor heterogeneous developments over time in different cohorts. [Adler and Brayfield \(1997\)](#) find a difference in East and West German women’s attitudes toward work in 1991, and [Campa and Serafinelli \(2016\)](#) can attribute this effect to employment experience in the GDR. Since both studies focus on women, neither allows drawing conclusions on the differential evolution of the gender gap in preferences for work over time.

Our contribution lies in a synopsis of the experimental research on gender differences in preferences and the mostly survey-based literature that uses the separation and reunification of Germany to assess the effect of political institutions on preference formation. Using the same natural experiment, we study the effect on *gender-specific* preferences. During separation, which lasted for 41 years, the political systems in East and West Germany differed markedly in their institutions and the role for women in society they promoted. While in East Germany women were expected to participate in the labor market to the same extent as men, the West German society fostered a much stronger sorting along gender lines into separate spheres (home and market), so male and female experiences differed more strongly in the West ([Rosenfeld et al., 2004](#)). Thus, if preferences were malleable through social policy and institutions over a relatively short time span, we should find different gender gaps in preferences for work in East and West around reunification. Following the same reasoning, gender differences in preferences may have become more similar across the two regions as time progressed because Western institutions were quickly established in the East, and gender-specific assignments most likely assimilated in reunified Germany. Observing a convergence following the political integration, over yet a shorter period of time (we observe roughly 20 years

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structure mechanism, which posits that gender differences in individual behavior follow in part the prevailing social structure, i.e. the way societies allocate men and women into different roles ([Eagly and Wood, 1999](#)), which by itself is determined both by institutions and cultural legacy.

<sup>3</sup> See also [Dreber et al. \(2011\)](#), [Cárdenas et al. \(2012\)](#) and [Sutter and Glätzle-Rützler \(2015\)](#) who study gender differences in the competitive behavior in children and adolescents and document the importance of socialization and social learning, as well as the influence of culture. [Säve-Söderbergh and Lindquist \(2017\)](#) also find evidence that gender differences in risk-taking might not be present among children aged 10.

<sup>4</sup> We explore the validity of our assumption on minimal evolutionary distance in [Section 3](#), and alleviate concerns that cross-migration flows between the two Germanies could pose a threat for our identification in [Section 2](#) because of the way our sample is constructed. We only include individuals born after 1941, who were too young to self-select into migrating before 1954, when exiting the GDR without a departure permit was criminalized. In the robustness checks in [Section 6](#), we repeat parts of our analyses exploiting information on where respondents lived when they were aged 15, and thus when they were presumably too young to have self-selected into migration.

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