

ARE THERE MORE FEMALE MANAGERS IN THE RETAIL SECTOR? EVIDENCE FROM SURVEY DATA IN DEVELOPING COUNTRIES

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Using firm-level data for 87 developing countries, the paper analyzes how the likelihood of a firm having female vs. male top manager varies across sectors. The service sector is often considered to be more favorable towards women compared with men vis-à-vis the manufacturing sector. While our exploration of the data confirm a significantly higher presence of female managers in services vs. manufacturing, the finding is entirely driven by the retail firms with little contribution from other service sectors such as wholesale, construction and other services. We also find that the greater presence of female managers in the retail sector vs. manufacturing is much higher among the relatively small firms and firms located in the relatively small cities. These findings could serve as useful inputs for the design of optimal policy measures aimed at promoting gender equality in a country.

JEL classification codes: J16, G30

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I. Introduction

A number of studies have documented gender-based disparities favoring men over women in labor market participation rates and wages (Duflo 2005; Tzannatos Zafiris 1999). Studies have also found that men and women workers and owners tend to be concentrated in different sectors and occupations. In other words, relative to men, certain sectors or jobs seem to be more favorable towards females than other sectors or jobs. For example, one view is that relative to men, women have a comparative advantage in occupations that require less use of brawns and greater use of brains (Rendall 2010). Another view is that in a majority of countries, females are the primary caregivers in the family affecting their labor market participation, wages and also the types of jobs they can undertake (Becker 1985; Bielby and Bielby 1988; Hundley 2000 and Lombard 2001). Of course, in addition to self-selection by females, employer discrimination against females could be another explanation for the observed occupation segregation along gender lines.

The present paper contributes to the above literature by focusing on the gender of the top managers of private firms in developing countries and how the gender composition of the managers varies across sectors. For the sectors, we first compare the services sector as a whole with the manufacturing sector and then single out the retail sector as unique and different from other services sectors. A greater presence of female workers and female entrepreneurs in the services sector compared to manufacturing has been noted in the literature (World Bank 2012; Dolado et al. 2004; ILO 2012). The retail sector has also been singled out as especially important for female entrepreneurs as, for example, in the Sub-Saharan Africa and Eastern Europe and Central Asia regions (Bardasi et al. 2011). Nevertheless, our focus on the gender composition of top managers using cross-country comparable firm-level data across a wide spectrum of 87 developing countries is a rarity in the existing literature.

Presence of female top managers is not uncommon in our sample. Projecting to the private non-agricultural part of the economies that is targeted by the survey, 18.8 percent of the firms have a female top manager. Our exploration of the data confirms that the presence of female vs. male managers is significantly higher in the service sectors relative to manufacturing. However, this difference between service and manufacturing sectors is entirely due to firms in the retail sector with little contribution from the remaining service sectors such as wholesale,

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