

CULTURE AND FEMALE LABOUR MARKET PARTICIPATION

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1. Introduction

The interest in female labour force and its dynamics across time and countries has in itself an appeal which finds more than a scientific justification. In her Ely Lecture in 2006, Claudia Goldin affirmed (p.3):

“Each evolutionary phase, moreover, led to major advances in the field of modern empirical and theoretical labor economics that mirrored the reality of women’s changing role. (...) Women’s labor market choices and decisions have become central to the field of labor economics (...). It would not be much of an exaggeration to claim that women gave “birth” to modern labor economics, especially labor supply. Economists need variance to analyze changes in behavioral responses, and women provided an abundance of that. Men, by and large, were not as interesting, since their participation and hours varied far less in cross section and over time”.

Accordingly, the study of labour market economic performance of female workers has steadily been widespread in last decades. Especially in consideration of that “abundance of variance” across time and countries professor Goldin was referring to. Nevertheless, still today, the performance of female and male workers remain far from being equal, though many improvements have been achieved.

More than the choices and decisions of women *in* the labour market, our interest has been captured by the choices and decisions of women before (if) entering the labour market.

The activity rates of women has been studied in several ways looking at demographic, economic and lately institutional factors. None of these factors, though, succeeds in detecting the main causes of such a variance and, in some circumstances, such a lack of participation. We firmly believe that an important role is played by cultural factors and we make an effort towards this goal.

Following a recent stream of research in economic studies, we consider the economic system deeply integrated with what is generally referred to as culture, but what is weakly agreed upon in terms of a shared definition. The concept of social capital may as sometimes be used alternatively to culture; but we consider

culture – together with the countries' institutional framework (North, Solow, Acemoglu) – being one of the component of social capital.

The aim of this contribution is to describe female activity patterns across four countries of Southern Europe (Greece, Spain, Italy and Portugal, so called Mediterranean Model) and, eventually, to measure the role of culture in determining the female activity rates

2. Some issues on active female population

Across the European Union the attention to female participation and all the related issues to render feasible the conciliation between working and private life has been steadily increasing in recent years, though the results of related interventions have been quite heterogeneous across Europe.

Table 1 - *Female and male activity rates (15-64 years old). 1990-2010.*

	Years	Females	Males	Gender gap
EU 15	1990	-	-	-
	2000	59,9	78,2	18,3
	2010	65,8	78,9	13,1
Greece	1990	42,6	76,8	34,2
	2000	50,6	77,6	27,0
	2010	57,6	78,9	21,3
Spain	1990	40,6	77,6	37,0
	2000	51,8	78,5	26,7
	2010	65,9	80,7	14,8
Italy	1990	43,2	77,0	33,8
	2000	46,2	73,8	27,6
	2010	51,1	73,3	22,2
Portugal	1990	57,1	81,4	24,3
	2000	63,7	78,7	15,0
	2010	69,9	78,2	8,3

According to the literature, the main determinants of female labour supply may vary from economic to demographic (Bettio & Villa (1998), Ahn & Mira (2003) in particular on fertility), from geographic to political factors (i.e. Jaumotte, 2003 on the role of policy), within same and across different countries. Most of the attention has been devoted to fertility, marriage, childcare, social policy (see Del Boca et al., various years).

In recent times, female activity rates (FAR) have been constantly increasing in almost all Europe, though they have historically been (and remained) lower than the male ones.

The persistently low FAR in some countries had traditionally been explained through the existing trade-off between participation and fertility (see above).

Recently, this trade-off appears not to be valid because in many countries FAR and fertility rates have reverted their relation, though this trend inversion seems to be not applicable to some Southern European countries

After a considerable coexistence under same “circumstances”, given by EU membership, it emerges some scope for a non conventionally measurable variable that could detect “culture” as a proper determinant.

3. Culture and female labour

One of the first attempts to model culture was made by Carroll, Rhee, and Rhee (1994) (cit. Fernandez 2007, p. 311) and has been included since then by many authors, among which we point out Fernandez & Fogli (2009) and Blau et al. (2013). This methodology of including the role of culture in an empirical analysis refers to the usage of past generation indicators about working/fertility behaviour of women (see above) trying to match behaviours of women belonging to “quiet revolution” period -late ‘70s to present, Goldin (2006) - to those of women who eased the revolution in the previous period (so called “roots of revolution” in Goldin, cit.). Those (and other) authors have been currently working to include the effect of culture in their analyses, by the means of a differently conceived role for culture from the effect of a general unexplained residual from socio-economic context.

Nevertheless, the study of the interaction between culture and female participation to labour market is not new neither isolated. From the ‘80s onwards, there are attempts to investigate this very relation: Reiners (1985) Fernandez & Fogli 2006, Camussi 2013. There have been also attempts to study the relation between culture and low employment (Yahn & Cahuc 2006), Savings and Culture (Carroll, Rhee & Rhee 1994), Religion Trust and economic attitude (Guiso et al 2005), Institution & Culture (Acemoglu et al., 2001; Acemoglu & Robinson, 2012; Tabellini, 2005), cultural transmission mechanism (Blau et al. 2013).

In this descriptive analysis we calculated three cultural indicators upon three questions drawn from the European Values Study¹ (out of three waves of 1990,

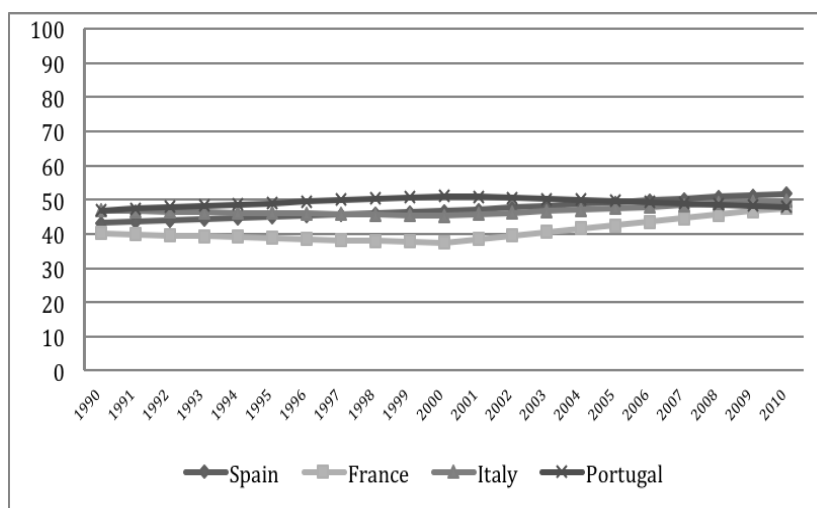
¹ The European Values Study is a large-scale, cross-national, and longitudinal survey research program on basic human values. It provides insights into the ideas, beliefs, preferences, attitudes, values and opinions of citizens all

1999, and 2008), but we picked only one, the question d057. Therefore, a variable was created using the cumulative percentage of women who agreed with the statement: “being housewife as fulfilling as paid job” (d057 ESV, waves 1990, 1999, 2008)

We built these indicators based upon the country average proportion of females that declared to disagree/agree with the above mentioned statement.

We show the results of these surveys, underlying that we interpolated the values across the surveys years.

Figure 1 – Cultural determinant drawn upon EVS (1990-2008)



Notwithstanding the short time span considered, it is possible to spot a slow though unstable change in the perception of private/professional status of women regarding their role in both the private and public sphere (see Fig. 1), which we defined as a change in the cultural context. Yet, the most striking element is the widely spread perception of self-segregation (or discouraging effect upon a market job choice) women operate on themselves and the sticky floor from which this attitude is hard to be detached. We noticed how much too low is still the share of women who perceive their “external” (labour market) and “internal” (within the household) as egalitarian with respect to that of a potential male partner. The puzzling outcome of the agreement with this statement is reinforced from the far

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higher share of women who report they believe that working is the best way towards independence (question d063).

The last step of this preliminary study has been to try a multivariate analysis introducing this cultural variable in a panel data analysis for the Mediterranean European countries here considered.

Following another more comprehensive contribution (Patimo, Garcia-Pereiro & Calamo) in which were tested the effects of selected groups of variables (Demographic, Economic, Institutional) on Female Activity Rates in Greece, Spain, Italy and Portugal (2000-2011), we continued for our cultural variable and then introduced it in a multivariate analysis on Macro Panel and tested for Fixed effects (Hausman Test); Time fixed effects (time dummies). In Table 2 the results are shown.

Table 2 - Results from Panel Analysis - Dependent Variable: Female Activity Rate, 1999-2011.

Note: *** significant at 99%. (1), (2): FE without time effect. Std error in brackets.

		(1)	(2)
Demo_Var	TFR		-.027 (.100)
	CMARR_R		.007 (.052)
	CDIVOR_R		.063*** (.018)
	AGE1CHILD		.790 (.710)
	EDU_ATT		.101** (.044)
Econ_Var	UNEM_M		.062*** (.013)
	PART_EMP_F		.033 (.030)
	HOUSEFILL	.113*** (.023)	.082*** (.023)
Cult_Var	_CONS	3.67	5.85

Cultural proxies' coefficient has a positive influence on our dependent variable [model specification (1)] and is very significant as well. Though we detected a very slow evolution in the change of the cultural value, we may assume that efforts towards a generalized positive evaluation of the economic role of women will encourage women to participate in labour market and men to accept the dual role of women as well as they do for male peers.

4. Concluding remarks

Our attention to the investigation of a cultural variable as above represented remarked the strong interaction between the socio-cultural context and the economic performance for the female labour force. After all the evolution the participation of women in labour market has undergone, it is clear that there must be some more “unexplained” that deserves more attention. We are convinced that the right direction of research goes towards the empirical estimation of the role of culture in determining the active participation of women in the labour market, as a *condicio sine qua non* the right to work of half of the population could not be exerted.

We found that the key difficulty in estimating a causal effect of culture is that it is endogenous to female participation. Hence, much work to find “the” exogenous and measurable source of variation of culture is still needed.

In fact, our ultimate objective was to seize the joint action of different and diverse determinants which all either push and hinder the participation of women to labour market, trying to enucleate general relations and country specific relations in order to understand what can be the potentially correct leverage (individually or communitywide) upon which a powerful intervention can be built to boost female empowerment and participation. We shall put new efforts in this direction in our future research prospects.

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SUMMARY

Culture and female labour market participation

In recent times, many economists have tried to explain various economic phenomena trying to identify and measure the effects of the cultural context of the economic system under observation. Starting with the seminal works of on culture and institutions, many authors have sought to measure the values and beliefs of individuals in order to use them in the estimates of various economic phenomena, such as: the relationship between culture, institutions and economic growth; the link between culture, work and fertility; the mechanism of intergenerational transmission of migrants to assess, inter alia, the role of culture in business decisions and fertility.

This paper, based on these studies, aims to contribute to increase the awareness on the role of culture in the economic dynamic system and, more in depth, to investigate the role of culture on female participation of women in some European countries, especially from the South of the EU.

To achieve this goal, data from survey EVS (European Values Study) have been used to create a "cultural" proxy and analysed against the female activity rates in a MVA.