



Claudia Goldin

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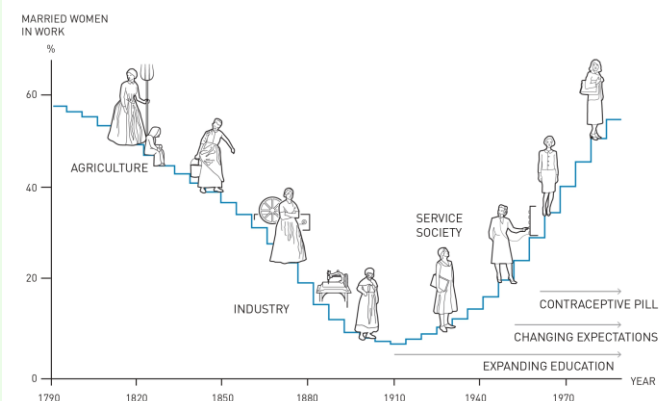


The Royal Swedish Academy of Sciences has decided to award the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2023 to Claudia Goldin “for having advanced our understanding of women’s labour market outcomes”

Women are vastly underrepresented in the global labour market and, when they work, they earn less than men. Claudia Goldin has trawled the archives and collected over 200 years of data from the US, allowing her to demonstrate how and why gender differences in earnings and employment rates have changed over time.

The U-shaped curve

Goldin showed that female participation in the labour market did not have an upward trend over this entire period, but instead forms a U-shaped curve. The participation of married women decreased with the transition from an agrarian to an industrial society in the early nineteenth century, but then started to increase with the growth of the service sector in the early twentieth century. Goldin explained this pattern as the result of structural change and evolving social norms regarding women’s responsibilities for home and family.



The importance of expectation

Despite modernisation, economic growth and rising proportions of employed women in the twentieth century, for a long period of time the earnings gap between women and men hardly closed. According to Goldin, part of the explanation is that educational decisions, which impact a lifetime of career opportunities, are made at a relatively young age. If the expectations of young women are formed by the experiences of previous generations – for instance, their mothers, who did not go back to work until the children had grown up – then development will be slow.



The parenthood effect

Historically, much of the gender gap in earnings could be explained by differences in education and occupational choices. However, Goldin has shown that the bulk of this earnings difference is now between and women in the same occupation, and that it largely arises with the birth of the first child.

