



Bachelor of Economics, Thammasat University

Semester 1/2022

EE364 - Gender Economics

“ Covid-19's Influence on Gender Inequality in Labor Markets & Education Assistance ”

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for

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Introduction

The history of gender discrimination (8000 years ago)

Our world separates sexes into two broad categories: male and female, without regard to gender. As soon as we are born, our skills, attitudes, traits, and genders vary. In such communities, gender discrimination is one of the most important challenges, and it may be considered an unsolvable problem. For instance, some people feel that males are more powerful than women, whilst others disagree. However, everyone should be treated equally and appropriately. It has been shown that gender discrimination occurred eons ago. Approximately 8000 years ago, archaeologists Marta Cintas-Pea and Leonardo Garca Sanjuán of the University of Seville in Spain did research on gender inequality. The emphasis of the research is the burials of Iberian tribes on the fertile Peninsula, where agriculture thrived. The males of the tribe were exploited as agricultural labor and were valued more than the women, as indicated by the fact that only the men's tombs are visible while the women's tombs are properly buried.

Factors that caused Gender Discrimination

The fundamental consequence of gender inequality was the notion that male is superior to female in education, job segregation, legal safeguards, and societal attitudes. This is a long-held notion.

In the past, women had lower levels of education than males; in West Africa, South Asia, and the Middle East, the proportion of women with no education is 14 to 21 percentage points higher than for men. Several countries have narrowed the gap between men and women with primary and secondary education, but gender equality remains elusive for many Third World countries. Women's enrolment in primary and secondary education is lower than men by at least 10 percentage points in 6 of 108 developing countries and higher in only 8. Thus, this concept got embedded in the minds of that era's people and continues now. Society conventions have molded the ideal area of study each gender should choose, such as engineering being a profession for males. Some female students may be interested in engineering like male students, 25.4% of 16-18-year-old females vs. 51.9% of guys. Gender-based violence also worsens the gender gap in schooling. It may harm victims and their children, particularly female pupils. GBV keeps girls out of school

Job segregation is also closely connected to gender prejudice. Before job-segregation, there was gender-segregation, which stems from home activities. According to gender norms, women are responsible for domestic and care work, while males are supposed to work to make a living. This gender-segregation includes job-segregation in the workplace; according to figure1,

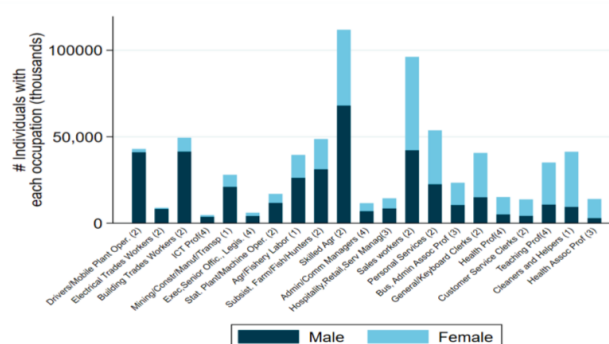
women are overrepresented in domestic and care occupations. In high-paying positions, corporations prefer to recruit males over women. This prejudice led to decreased women's income.

Over a billion women are shielded from domestic sexual and economic abuse, according to the World Bank. Both affect women's capacity to thrive and live freely. Many countries have minimal legal protections against workplace, school, and public harassment. Without protection, these environments become deadly and drive women to sacrifice their objectives.

This component has the largest influence on gender inequality, sociocultural views. Gender discrimination has existed since ancient times and still occurs now. Manu said around 200 BC that a little girl, young lady, or even an elderly person must not undertake anything alone, even in her own home. In childhood a female must be obedient to her father, in youth to her husband, and after her lord is dead to her sons. This statement shows the old view of women. Despite the advancement of technology and globalization, gender discrimination still occurs. This is one of the primary past and future gender inequality challenges.

Gender imbalance is a major barrier to decreasing poverty and increasing the economy. If women gained greater education and more respect, they would be more likely to engage in the job market, leading to higher incomes for female employees, which would contribute to the growth of homes, communities, and eventually the lifting of whole nations out of poverty.

Figure 1. Number of Individuals by Occupation and Gender



Source: Prepared by authors using data from ILO Stat.
 Note: Proportion female increases Left to Right. Skill level of occupation in parentheses.

The Covid-19 and employment

As shown before, gender inequality may have a significant effect on the covid-19 epidemic. This pandemic is generating a serious economic, social, and medical shock around the globe, with varying effects on men and women in various regions. In order to prevent the spread

of covid-19, a huge number of nations imposed lockdown and social isolation policies, which had a devastating effect on employment. Reduced work hours, cost savings, and the flexibility to work remotely.

Covid-19 has the potential to have a detrimental impact on the population. Consequently, this issue may be utilized to highlight the harmful effects of gender inequality in the labor market. As a consequence of the pandemic, more and more women are becoming ill, which has a substantial impact on the amount of unpaid services. This is one of the contributing causes to the increased prevalence of the disease among women. As a result of this tendency, women's employment is falling at a higher rate than that of the overall population. As a consequence of this trend, the employment rate of women is declining at a quicker pace than that of the general population. In addition, because of the previous assumption, women are more likely than men to work from home and to work fewer hours or become jobless as a result of the epidemic. Nevertheless, as stated previously, the work of the registry prior to the COVID-19 has a significant impact on the likelihood of unemployment for both men and women, taking into account personal characteristics and employment, which suggests that these are the factors that led to the creation of gender inequality on the labor market.

The disparate effects of covid-19 on female entrepreneurship, including female businesses in emerging economies, where enterprises account for a high share of the female labor force. A few household resources, such as money by investing throughout enterprises or electronic devices that family members have to share as kids' education has advanced online, might become limited as a result of the crisis. The research revealed a strong correlation between female's labor force participation rate and financial and digital incorporation, particularly connectivity to credit facilities and phone banking.

Gender Inequality and the Bargaining Power in the Labor Market of USA

There was more gender imbalance on the job market at the time Covid-19 was created. For decades, centuries, or even millennia, gender discrimination has been a problem, and one of the most affected sectors has been the labor market. Men and women have differing negotiation strength in the US job market, to use the country as an example. Conservative economists disagree with the new statistical model and how it differs from neoclassicism. Conservative economists claim that women enter lower-paying areas, work fewer hours per week, and have less experience in continuous employment than men. They shouldn't voice complaints until their pay is lower than that of comparably productive men doing the same job for the same number of hours. The data on women's employment constraints is used by contemporary economists to argue that societies' bargaining power discriminates against women. When the pandemic is over, there will be a larger gap in gender inequality, which is where this issue arises. When hiring

employees, a company will prefer to hire men over women, especially in industries that employ labor forces.

Even the United States, a strong power with a robust economy with stronger regulations that help female workers, has a larger gap on gender discrimination. Inequality will affect emerging nations with weaker economies, like Thailand. A recent Thai research analyzed the gender pay gap. The research employed "Blinder-Oaxaca decomposition," which estimates employees' anticipated return. The gender gap has narrowed somewhat since 1996. With more education, women's talents and wages have improved, and the gender pay gap has reduced.

LGBTQ and inequality in the situation of the virus

LGBTQ people also face prejudice from the virus. Most LGBTQ individuals work in strongly affected industries, such as the service industry and healthcare, like women. Asthma, cancer, and heart disease are more common among LGBTQ individuals than among heterosexual people. LGBTQ persons are more likely to experience poverty and financial hardship, according to the Williams Institute. Discrimination against LGBTQ people when seeking work and trying to maintain their jobs is a crucial element in employment instability and unemployment. According to a Center for American Progress survey on how discrimination impacts job finding and retention, the ability to be employed has the biggest effect on people of color, all other genders, and men and women. Last, the epidemic has cost LGBTQ individuals jobs. 56% of LGBTQ persons experience employment loss, vs 44% of non-LGBTQ people. To conclude about the pandemic, this sickness has shown us gender inequality in multiple dimensions, the deterioration of the global situation, and the worst of gender and working disparity in the long run.

Objectives

The Factors that Reduce Gender Inequality

Education is one of the most important aspects in reducing bias. Education increases the income of female employees by around 20% every year of education. In addition, for example, every additional year of schooling decreases the probability of contracting HIV by 6.7%. If they are better informed, female workers will be able to express their gender freedom and rights in order to combat discrimination. According to a poll of households in 54 nations, secondary-educated women would have four times less rights than their primary-educated counterparts. Male employees with a basic education will demonstrate stronger gender equality via pro-women attitudes and actions. However, people with less education encounter more gender discrimination in the workplace, which is followed by a deterioration in mental health, substance abuse, and violent conduct in society. As a result of these factors, education diminishes gender disparity in our cultures.

In addition, education contributes to gender inequality via job segregation, the absence of legal safeguards, and societal attitudes. All of these elements stemmed from the ancient belief in gender inequality and continue to be rooted in the human psyche. According to the study, occupational segregation resulted from gender norms, gender segregation, which compelled women to conform to societal expectations. In addition, the absence of legal safeguards stems from women's discounted standing. Even though numerous laws are enacted to safeguard women in the modern day, they are insufficient. Many women are subject to various forms of abuse, such as sexual assault, domestic violence, etc. As a result, the majority of women they meet are still in school, which drives them to abandon their studies, as described in the preceding paragraph. In addition, the prevailing social attitude might be considered the origin of gender disparity in the present.

In conclusion, the objective of the research is to reduce gender disparity in the labor market. With such a subject to address, relevant case studies and data will be included as the paper's foundation in order to demonstrate how the elimination of gender disparity may have a significant influence on the nation's economy. According to the report, a number of reasons prevent women from entering the job market, which contributes to the nation's economic difficulties. However, reducing gender disparity would address the nation's economic issue.

How the Pandemic Expands Gender Inequality

Numerous industries employing a substantial number of women, such as the service and childcare sectors, have been negatively impacted by the Covid-19 outbreak. During the pandemic, gender inequality has impacted differences between men and women, particularly in terms of women's desire to reduce their working hours and work remotely. For instance, disparities in the chance of unemployment between men and women are mostly attributed to women's pre-COVID employment situations. The fact that they are mostly part-time jobs. In one study, when individual and employment characteristics are controlled for, the probability of men and women becoming unemployed are no longer statistically different, nor is the temporal effect, indicating probable mechanisms for the creation of gender disparities in the labor market. However, the mindset towards gender roles in motherhood became a greater contributor to the widening gender disparity. In addition, it seems to increase the mental stage distinction between conventional standards.

For example, women and men are both unemployed or working remotely, but males tend to work less in domestic and child care labor than women, and they have distinct worries, with men fretting about paid employment and women over household duties. Nonetheless, the division of unpaid duties within their relationship during the epidemic is incorrect and uneven. According to the findings of one of our studies, this might result in a decline in the productivity

of women employees, since the conventional norm of gender role attitudes during the COVID period has a substantial impact on women's productivity, whilst men's production is growing.

In conclusion, the pandemic may have a little influence on gender disparity, with the majority of the impact relying on the working environment before the epidemic. But until the epidemic is ended, gender roles and attitudes may have a greater influence on inequality, and the need to recoup when the situation has returned to normal may have a further negative effect on productivity and the economy.

Theoretical framework

Since 1996, the income gap between men and women has decreased during the subsequent two decades, hitting 14 percent in 2006 before leveling out at 10 percent in 2007. The Oaxaca Decomposition is used to assess the wage gap between men and women in the United States. Some might claim that employees' higher levels of education and competence enable them to earn more money for themselves. Consequently, both men and women in Thailand are attaining greater levels of education. The educational system has been enhanced as a result of technical advances and the passage of time. In terms of educational accomplishment, women have outperformed men in recent decades, according to the study's results. In general, it seemed that female workers were more productive than their male colleagues. They were paid less than male employees, despite the fact that their production is comparable to, and in some instances exceeds, that of male workers. Based on the Labor Force Survey of Thailand performed in the third quarter of 2008, the research indicated that discrimination against younger employees was more severe than against older workers.

Using the Oaxaca decomposition method, the pay gap between male and female groups was separated into "explained" and "unexplained" components. The approach examines earnings and their correlations using earnings function regression. In contrast to the descriptive approaches in the previous section, causal effects may be identified. It enables us to identify variables that contribute to earnings discrepancy and assess the extent to which individual factors explain the gender pay gap. This research employs (Jann, 2008) formulae to provide a mathematical explanation of the approach for two groups of male and female employees, M and F, with distinct outcome variables Y. (log of earnings). The predictors comprising X include education and job experience. The mean outcome difference (R) represents the outcome variable's anticipated value difference.

$$R = E(Y_m) - E(Y_f)$$

Assuming a linear model of the earning function, the difference in mean earnings can be stated as the difference in linear prediction at group-specific means of regressors, that is,

$$R = E(Y_m) - E(Y_f) = E(X_m)' \beta_M - E(X_f)' \beta_F$$

Gender wage inequality in Thailand: A sectoral perspective. (n.d.). Retrieved November 27, 2021, from <https://www.researchgate.net>

where X is a vector that comprises the intercept and slope parameters in addition to a set of predictors. The outcome difference R can be separated into three components using some mathematical rearranging.

$$R = [E(X_M) - E(X_F)]' \beta_F + E(X_F)' (\beta_M - \beta_F) + [E(X_M) - E(X_F)]' (\beta_M - \beta_F)$$

$$R = E + C + I$$

The samples were selected from a massive number of observations from the Labor Force Survey. The goal of this research is to investigate pay differences between working men and women in Thailand. The sample for this research is limited to wage workers between the ages of 15 and 60. Individuals with employment but no income are excluded from the sample. As shown in the table, the sample size for male and female wage workers was 22,598 in 1996, 49,052 in 2006, and 50,009 in 2013.

Table 1

Sample Size of the Study Dataset in Three Time Periods 1996, 2006, 2013

Number of Observations	1996		2006		2013	
	Male	Female	Male	Female	Male	Female
Male / Female	12,657	9,941	26,467	22,585	27,056	23,453
Total	22,598		49,052		50,509	

Gender wage inequality in Thailand: A sectoral perspective. (n.d.). Retrieved November 27, 2021, from <https://www.researchgate.net>

According to the graph, between 1996 and 2013, the average pay of female employees rose annually. It has been observed that a number of factors have affected the incomes of Thai employees. Long-term, salary increases will stimulate greater education and lead to a decline in gender disparity.

Conclusion

To provide a larger perspective for the subject, gender inequality has been in our civilizations for millennia and continues to exist now. Due to the existence of viewpoints that are diametrically opposed, the issue continues to exist and cannot be addressed entirely. For instance, some individuals believe that males are more powerful than women in the workplace, whilst others disagree. Due to the introduction of education into our culture and the fact that women have had greater access to education in recent decades, as well as the philosophy of LGBTQ, which supports the equality of all sexes and genders, the gap between men and women is closing globally as a result of increased gender equality awareness and education. Women and individuals of diverse genders today have more power and freedom to defend their own gender rights.

A better educational system increases the wages of female employees and the knowledge of men workers, hence reducing the gender pay gap. According to the study's results, women's incomes in Thailand have increased since 1996, along with a reduction in the gender pay gap. Before the start of 2019, one of the world's most horrific catastrophes is predicted to occur. It is plausible to claim that we are in the middle of World War III, but not with people, but with invisible entities like the corona virus and covid-19. Education has helped close the gap between men and women, but the pandemic has extended the gap even more. As a result of the pandemic's return in the labor force, several firms and workplaces have chosen males over women for specific roles. Employers have given preference to males over women when making recruiting choices.

This article discusses labor market demand and supply. The pandemic's effects on the labor sector are discussed, including how employees and industries had to close between 2019 and now. Long-term job market analyses and actions to help employees recover. As a result of labor market implications, the gender wage gap is growing. Since the epidemic, the situation has improved, yet gender prejudice remains. The gender gap has risen in recent years. The article predicts how the pandemic will end and how people will survive. No one knows how the pandemic will end or if it will become a common illness. People adapt by wearing masks, avoiding social engagements, and becoming vaccinated.

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