# Digitalization, changing demand for skills and the gender wage gap

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After the pandemic conference series

February 2022



- Motivation

#### Motivation - changing demand for skills is not gender neutral

Decline in demand for routine tasks  $\rightarrow\searrow$  jobs intensive in routine tasks

• High risk of automation: (70% of job tasks)  $\sim$  9 % to 14 % of jobs (Arntz et al 2017, Nedelkoska and Quintini, 2018)

Heterogeneous effects by gender likely, but with mixed evidence.

- Country specific studies: women left routine jobs faster than men (Black and Spitz-Oener, 2006; Cortes et al 2020)
- A larger share of women's jobs expected to automate (Brussevich et al 2019; Nedelkoska and Quintini, 2018)
- What is the role of social tasks?

(Autor et al, 2003; Acemoglu and Autor, 2011; Deming, 2017; Lordan and Pischke, 2022; Gelblach, 2020)



- Motivation

What do we do?

Analyze sorting of women to tasks and differential returns to tasks



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Analyze sorting of women to tasks and differential returns to tasks

- We leverage a new database on task contetn designed for Europe
- We break down social tasks
  - Internal-dimension, e.g. work in teams
  - External-dimension, e.g. teaching
- Study selection into tasks in Europe and returns to these tasks



- Databases

### European Skill / Competences, qualifications and Occupations

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## European Skill / Competences, qualifications and Occupations

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- Pilot version launched in 2014 Current version 2018.
- Contains 2k+ occupations based on ISCO
- Contains around 13k+ tasks
  - Essential (our main focus) and optional



Databases

#### Recovering the task content of jobs

#### Manually classify tasks into one of 5 types

• Social (internal or external), analytic, routine, manual (similar to Gelblach, 2020)

② Sum number of (essential) tasks in each detailed occupation

• (routine: aso substract desc. related to non-routine env.) (Bisello and Fernandez-Macias, 2021)

Aggregate to the ISCO-08 3-digit level Descriptives Correlation

- Standardize indicators using LFS weights (2018 yearly)
  - Better coverage than SES. Complemented with national LFS if needed



Databases

#### Structure of Earnings Survey

- Admin quality employee-employer database
- $\bullet$  Distributed by Eurostat every four years  $\rightarrow$  we use 2018
- Rich set of control variables
  - Personal: gender, age (grouped), education, tenure
  - Job: industry, size of establishment, full-time position
  - Income: hourly wages in 2018 Euros (exc. premia and bonuses)
- ISCO-08 (3 digits) for a subset of countries:
  - CEE: BG, CZ, EE, LT, LV, PL, SK,
  - Western: CY, DK, EL, FR, IT, LU, MT, NO, UK (2014)
- We use *federal* weights



#### Do men and women perform same tasks?

$$task_{i,j} = \beta Women_{i,j} + x'_{i,j}\gamma + \nu_j + \epsilon_{i,j}$$

	Social	External	Internal	Analytical	Routine	Manual
Woman	0.350**	0.388**	0.154	-0.064	0.069	-0.231*
	[0.11]	[0.12]	[0.09]	[0.10]	[0.12]	[0.09]
R-squared	0.278	0.252	0.225	0.164	0.168	0.308
Observations	$\sim$ 10 million					

Notes: SE clustered at ISCO 3 digits in parentheses. \*, \*\*, \*\*\* indicate p-values smaller than 0.1, 0.05 and 0.01.



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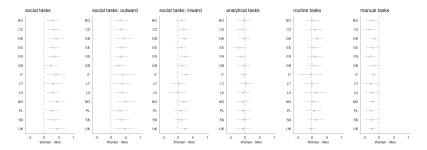
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Results consistent with Gelbach (2020) & Lordan and Pischke (2022)

Difference between General office clerks (code 411) and Secretaries (code 412)  $\sim 0.35$ 



#### Are results driven by specific countries? Not much



#### Selection of tasks in different countries

Notes: SE clustered at ISCO 3 digits. Regressions run separately for each country

Women perform more social inward tasks than men in Western Europe (DK, FR, IT, NO, UK)

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#### Are men and women paid evenly

We estimate the following equation •>>>

$$ln(wage_{i,j}) = \beta Women_{i,j} + \sum_{t=1}^{T} \tau_t task_{t,i,j} + \sum_{t=1}^{T} \tau_{t,fem} task_{t,i,j} \times Women_{i,j} + x'_{i,j}\gamma + \nu_j + \epsilon_{i,j}$$



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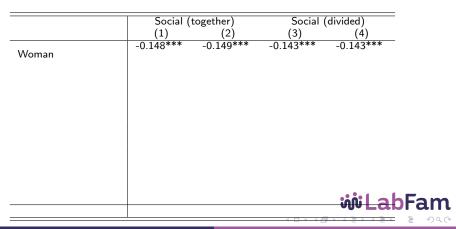
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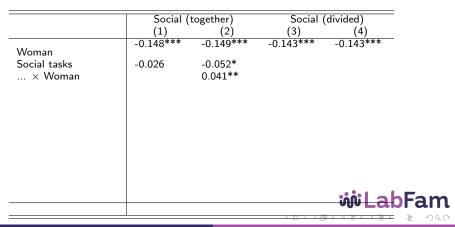
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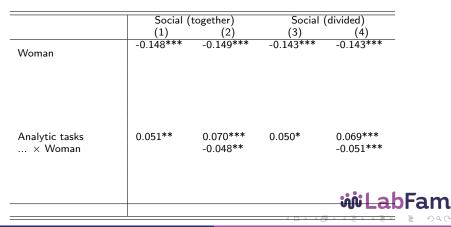
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	Social (together)			(divided)	
	(1)	(2)	(3)	(4)	
Woman	-0.148***	-0.149***	-0.143***	-0.143***	
Social tasks: inward × Woman			0.038*	0.036 0.010	
Social tasks: outward $\dots \times$ Woman			-0.048***	-0.089*** 0.055**	
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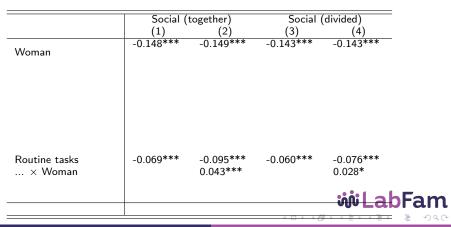
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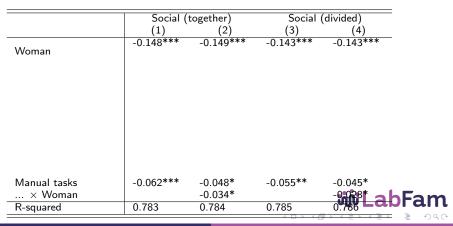
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#### Are men and women paid evenly? Not really

- Women receive on average 15% lower wages
- Returns to tasks consistent with literature



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- Women receive
  - $\bullet \ \downarrow$  returns to analytic & manual tasks
  - ↑ returns to routine
  - $\uparrow$  returns to social (external, not internal)
- Returns are less negative, not positive!



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- Women receive
  - $\downarrow$  returns to analytic & manual tasks
  - $\uparrow$  returns to routine
- Returns are less negative, not positive!
- Results are common across countries Graph





#### Evolution over time

Changes between two years: 2002 - 2018 and 2010 - 2018



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Changes between two years: 2002 - 2018 and 2010 - 2018

- Selection of tasks has not changed over time
  - $\bullet\,$  Differences in levels for men and women + constant gap
- Relative returns to tasks changed
  - ↑ returns to social external
  - ↑ returns to abstract
  - Differences when comparing 2018 to 2002



- $\bullet$  Are women in a position to benefit from trends?  $\rightarrow$  mixed results
- Women perform more social tasks than men
  - But mostly external  $\rightarrow$  relatively worse paid
- Little evidence of convergence over time
  - Not at all in selection, only weak for returns.
- Results are robust to...
  - ... estimations using tasks at ISCO 2D level
  - ... including additional countries
  - ... including all tasks (as opposed to essential)

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## Questions or suggestions? Thank you!



#### www.labfam.uw.edu.pl



#### Task classification in ESCO

- Task group # S3.6.3 : caring for children
- Task group # S4.5 : leading and motivating
- Task group # S1.11 : designing systems and products
- Task group # S3.3.3 : complying with legal [...] guidelines
- Task group # S6.2 : moving and lifting

#### back



#### Task classification in ESCO

- Task group # S3.6.3 : caring for children  $\rightarrow$  Social external
- Task group # S4.5 : *leading and motivating*  $\rightarrow$  Social internal
- $\bullet$  Task group # S1.11 : designing systems and products  $\ \rightarrow$  Analytic
- Task group # S3.3.3 : complying with legal [...] guidelines  $\rightarrow$  Routine
- $\bullet$  Task group # S6.2 : moving and lifting  $\ \rightarrow$  Manual

#### back



#### Task values

#### Task content before standardization (3-digit ISCO codes)

	Mean	SD	Share zeroes
Social tasks	4.01	4.51	0.024
Social tasks: external	2.448	3.33	0.104
Social tasks: internal	1.478	1.6	0.064
Analytic tasks	3.362	2.01	0.024
Routine tasks	0.727	2.11	0.032
Manual tasks	3.361	3.7	0.104
Observations		12	25

back



#### Correlation with O\*NET classification

ESCO name	ONET name	Pearson	Pearson (w)	Spearman
Abstract (all)	NR cognitive	0.64	0.66	0.67
- Analytic	- NR cognitive analytic	0.57	0.61	0.58
- Social	- NR cognitive personal	0.54	0.52	0.60
Routine	Routine <sup>1</sup>	0.47	0.57	0.52
Manual	NR manual	0.71	0.72	0.81

Notes: (w) denotes use of occupation size as weights. NR stands for non-routine.

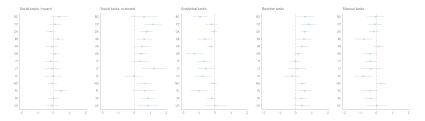
<sup>1</sup> is an average of Routine manual and Routine cognitive.

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#### Cross-country heterogeneity in returns to tasks

#### Differences in returns to tasks by countries (and 95% CI)



Notes: SE clustered at ISCO 3 digits. Regressions run separately for each country

There are differences across countries, but not systematic back

