

Claudia Goldin

Nationality: - American

The noon of October 9th gave the world surprising news when **Claudia Goldin** (an economic historian & labour economist) became the sole recipient of the 2023 Nobel Prize for Economic Sciences. The Nobel Committee had lauded her “for having advanced a person’s understanding of women’s labour market outcomes”. Her research laid the foundations for how the role of women has evolved in the job market during the last 2 centuries.

Goldin’s Analysis of Gender Differences and Total Employability

Goldin’s works, *Understanding the Gender Gap* (1990) and *Career & Family* (2021) analysed the relationship between women’s earnings and their participation in the job market. Her analysis reflected that when women took a gap from active employment for longer periods and returned to the job after completing a set of household obligations, they were paid less than their male colleagues.

To prove her argument, she examined the archives containing recorded data on female participation in the labour force from the early 1800s to the mid-1970s. Successive papers authored by Goldin and her husband Lawrence Katz gave additional inputs to the situation persisting about women’s employability in the 21st century. This revelation destroyed the bias that persisted since the 20th century wherein policymakers believed that women’s economic liberty and financial stability went hand-in-hand with overall economic growth.

Hence, women experience a **U-shaped curve** that starts on a peak note of them being highly educated, financially independent, and above all unmarried. Post-**marriage** and having their **‘first child’**, priorities of women begin to shift over time as their motherhood duties chip in forcing them to set aside their career aspirations for a certain period until their children become of age. This results in a trough during their active employable years for these mothers. After much later when they decide to rejoin the job market, they are found to be paid much less than their male peers.

She also mentioned that as women ventured from agriculture to industrial work and later towards the service sector in the 20th century, this U-shaped curve remained largely in effect. The expectations that women had towards long-term employability were limited and largely based on past generational impacts of witnessing their mothers remaining as housewives during their most healthy, proactive, and youthful periods that could have been while engaging in a profession. It is the introduction of **‘contraceptive pills’** in the early 1970s that began to alter the course of choices and decision-making in the lives of women.

The simple and convenient use of contraceptives emboldened women to take decisions such as delayed marriage and pursue higher education which marked the turning point in the 20th century. It gave them the freedom to pursue and leave an indelible mark in what was considered highly male-dominated fields like law, medicine, and economics. It resulted in highly advanced economies witnessing women having much higher educational qualifications than males on a national scale. The earnings gap between men and women during their initial years of employment in the same profession was negligible with differences beginning to emerge **post-childbirth**. The rate of increase in overall earnings for women would now grow slower and the earnings gap between them and their male peers would reach newer levels.

Though Claudia Goldin’s work doesn’t offer any concrete solutions on how to treat this issue, it still helps researchers and policymakers to understand what are the core historical underlying

factors that limit women's contribution to overall employment in the labour market. Even Goldin herself had stated that her work could be the subject of even bigger policy debates and revisions by enacting laws for promoting fair wages and acceptance of mothers into professions that they used to engage with. She advocated that it is only through proper legislation enacted and evaluated within a stipulated time frame would result in the earnings gap between men and women (post-marriage) to reduced.

