

Gender, Occupations and International Trade

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This project aims at studying the determinants of gender differences in occupational status in Mexico during the period 1989-2001. In particular, the project wants to explore the role of NAFTA in shaping gender repartition across four occupations: formal and informal wage employment, formal and informal self-employment. To analyze the mechanism linking trade and occupational choices in developing countries, we propose to use a labor force survey from Mexico, and investigate empirically (and then theoretically) the implications of trade integration between Mexico and the US.

This project is related to three strands of literature. Firstly, we follow the current literature that studies the effect of international trade on labour market outcomes. Exploiting sector-specific changes in tariffs, Aleman-Castilla (2006) and McCaig and Pavcnik (2014) analyse the role of trade liberalization on informality rates in Mexico and Vietman. Similarly, we investigate whether changes in informality rates induced by trade liberalization differ between gender and across occupations. Secondly, we complement a large empirical literature that analyses, often separately, the presence and the determinants of gender gaps in entrepreneurship and wage work. Finally, we contribute to a small but growing group of papers that combines the international trade literature and the gender literature (Black and Brainer (2004), Ben Yahmed (2012)). Our work will contribute to the literature by integrating two important dimensions of the labour market: self-employment and informality. Moreover, in examining gender outcomes at the municipality level, we are able to explore both the direct effect of trade liberalization on women's and men's occupational sorting in tradable sectors, as well as the total effect of trade liberalization on occupational sorting across all sectors of the local economy.

To study the evolution of occupational sorting in Mexico, we combined micro data from the ENEU (Encuesta Nacional de Empleo Urbano) with Mexican and U.S. import tariffs at the 4-digit industry level. ENEU is a quarterly labor force survey representative of cities over 100.000 inhabitants conducted by the Mexican National Statistical Institute (INEGI). This survey enables us to group individuals into four categories: formal and informal wage workers, formal and informal self-employed individuals. To account for the multiple potential outcomes, we use a multinomial logit specification. We use both sector specific and municipality tariffs to quantify the effect of trade liberalization on occupational sorting. We find that market integration is significantly related to reallocation of labour into formal wage employment, with a stronger effect for men. We also plan to build a weighted tariff at the municipality level, to explore whether men and women working in regions exposed to stronger falls in import tariff are less likely to hold informal salaried jobs. We expect that regional exposure to trade liberalization has increased the gender gap in informality rate among self-employed individuals through between sector reallocation.