Gender inequality and bargaining in the U.S. labor market

Why care work is undervalued

**Summary:** Nancy Folbre, University of Massachusetts-Amherst There have been large and persistent disparities of labor market outcomes facing women and, though some disparities have declined, they remain consequential to women and their families. These gender disparities cannot be explained, as some have tried to do, by pointing to personal choices, work-life patterns or skill differences. Basically, analyses based competitive markets characterized by equal bargaining power between workers and employers cannot explain gender disparities in outcomes. This paper reviews recent research on gender inequality in earnings, showing how complex processes of multidimensional bargaining often lie submerged in the background of empirical findings. The paper will also briefly describe five specific organizing efforts—both progressive and regressive---that dramatize the many forms of power that come into play in gender “negotiations.” The concept of bargaining power can provide a powerful framework for examining the persistence of gender inequality in the U.S. labor market. At the same time, attention to gender inequality can broaden the ways we conceptualize bargaining power.
Executive summary

Empirical research on the causes of the surprisingly persistent earnings gap between women and men often takes the form of statistical models that control for as many variables as possible—race, ethnicity, education, labor force experience, job tenure, hours of work, occupation, industry—but ignore any measures of bargaining power other than unionization. This paper challenges this neoclassical approach, focusing instead on how the institutional landscape of unequal bargaining power of employers and workers and men and women has created costly trade-offs that perpetuate gender inequality. Attention to the history of patriarchal and capitalist institutions—as well as efforts to mitigate or modify them—is crucial to an understanding of a persistent gender pay gap. From this perspective, outright discrimination represents only the tip of a larger iceberg that has frozen women into economic disadvantage, assigning them responsibility for tasks whose value is indispensable yet difficult to measure or monetize.

Because social institutions solidify differences in collective bargaining power, institutional change is difficult to achieve. Yet the choice to collaborate with others to challenge unfair social institutions is among the most important choices people make. Such commitments can be risky, but they also yield rich rewards for everyone. Like other disempowered groups, women are often able to overcome their differences, find allies, and bargain for change, and their history of hard-won but cumulative successes challenges mainstream economic thinking and validates the rallying power of appeals to social well-being rather than private profit.

Introduction

Despite considerable progress since 1973, employed women in the United States still earned about 20% less per hour than men in 2019 (EPI 2020). Conservative economists attempting to explain this surprisingly persistent gap often emphasize that women tend to have less continuous labor force experience, work fewer hours...
per week for pay, and enter less-well-paying occupations and industries than men. Perhaps, they speculate, women are simply choosing to trade higher productivity and pay in paid employment for more intrinsically rewarding commitments, including family care, and they should not complain unless they are paid less than equally productive men working exactly the same number of hours performing exactly the same job (Wall Street Journal 2019).

While few economists endorse such an extreme interpretation of the gender wage gap, empirical research on the topic often takes the form of statistical models that ignore any measures of bargaining power other than unionization, and control for as many variables as possible—race, ethnicity, education, labor force experience, job tenure, hours of work, occupation, industry—in order to isolate the unexplained gender effect (Blau and Kahn 2017). This paper challenges this neoclassical approach, focusing instead on a bigger social and historical picture in which institutions shaped by the unequal bargaining power of employers and workers and men and women (as well as other groups) have created costly trade-offs that perpetuate gender inequality. From this perspective, outright discrimination represents only the tip of a larger iceberg that has frozen women into economic disadvantage, assigning them responsibility for tasks whose value is indispensable yet difficult to measure or monetize (Folbre 2017, 2021). Attention to the history of patriarchal and capitalist institutions—as well as efforts to mitigate or modify them—is crucial to an understanding of a persistent gender pay gap. Many of the so-called “control variables” included in models of wage determination—hours of work, occupation, industry, etc.—cannot be explained purely as the result of individual choices. Rather, they reflect structural inequalities related to unequal bargaining power.

In standard human capital models, individuals make choices in an economic environment in which prices and incomes are determined primarily by technologies of production. These models require capital, but the fact that the institutional environment constrains access to the accumulation of both financial and human capital is largely ignored. As a result, the impact of collective efforts to challenge laws, public policies, and cultural norms is largely obscured. Yet the historical record shows that differences in the relative bargaining power of employers and workers have interacted with other dimensions of inequality, including gender, sexuality, race, and ethnicity, to limit the spaces of feasible choice. Yet these spaces have been, and will continue to be, reconfigured by collective action, offering lessons for the design of progressive strategies to bargain for economic justice.

The limits of neoclassical economics

Modern neoclassical economics emphasizes the role of individual choices and minimizes the relevance of collective identity and action. Pressures from inside and outside of the profession are weakening this emphasis, but it has shaped the trajectory of much research on gender inequality and continues to exercise an inertial influence that discourages attention to the ways in which individuals collaborate with others to encourage or resist institutional change. The end result is a story that, despite some insights, remains
incomplete and misleading.

The canonical assumptions of mainstream economics are these: Individuals seek to maximize satisfaction of preferences that are taken as given (exogenous), they are not concerned about the satisfaction of others outside their family (no interdependent utilities), and they have perfect information along with the capability to act on such information effectively (they are rational actors). Their assets, including their levels of education, are also taken as a given. Firms seek to maximize profits and typically inhabit a perfectly competitive economic system in which they cannot directly affect wages or prices and have little influence on the institutional environment that affects their profitability. Workers and firms are treated as though they are on an equal footing in a labor market: One supplies labor, the other demands labor; both are equally powerless to resist impersonal market forces that determine wages, working conditions, and terms of employment. Because these assumptions are unrealistic, many economists are willing to depart from at least one of them, even as they stick with the larger package that deflects attention from both collective identity and distributional conflict.

A look at research on gender inequality illustrates this package effect. Conventional explanations often ascribe gender-based discrimination to anachronistic, pre-modern attitudes that should decline over time because they are manifestly inefficient. Gary Becker argued in the late 1950s that profit-maximizing employers should drive discriminating employers out of business (Becker 1957). Many economists who rejected this optimistic prediction nonetheless accepted its basic premise, scurrying to emphasize that the process could be slowed by information problems leading to motivationally benign forms of “statistical discrimination” such as basing decisions on stereotypes (Arrow 1974). Such discrimination is widely construed as efficient behavior consistent with profit maximization (though this explanation has not gone uncontested by mainstream economists; see Schwab 1986). Note that suspension of one assumption—in this case, perfect information—reconciles the basic argument with the observed persistence of employer discrimination while also freeing employers of culpability.

Economics has come a long way since Becker and Arrow, and plenty of mainstream economists have turned their attention to historical origins of gender inequality. Nathan Nunn, Alberto Alesina, and Paola Giuliano (2013) build on earlier research by Ester Boserup (1970) to argue that plow agriculture, more physically demanding than hoe agriculture, may have empowered men more than women in societies that relied on the plow. This is a plausible argument, especially because it suspends the assumption that preferences should be taken as a given and suggests the influence of social norms shaped by the experience of previous generations. This path dependence helps explain why a technology that has long since become obsolete may exercise a persistent influence. Yet this also implies that no one is to blame. It deflects attention from the ways in which powerful groups (in this case, men) develop social institutions—such as exclusion of women from political participation or cultural influence—that work in their favor. Inherited norms, like Adam Smith’s invisible hand, exert impersonal, decentralized power.

In mainstream economic reasoning, technology is often cause and inequality is effect. For instance, Claudia Goldin (1990) attributes gradual increases in the ratio of female to male
wages in the 19th century United States to the expansion of jobs requiring mental skills rather than physical strength. Rick Geddes and Dean Lueck (2002) argue that the increasing importance of human capital gave men incentives to relinquish power over women in order to benefit from their potential contributions to household income. Jeremy Greenwood, Ananth Seshadri, and Mehmet Yorukoglu (2005) describe labor-saving household devices such as washing machines as “engines of women’s liberation.” Martha J. Bailey, Brad Hershbein, and Amalia R. Miller (2012) give the “contraceptive revolution” considerable credit for increases in women’s labor force participation in the U.S. in the mid-20th century.

Again, these are plausible claims, but they skip over the role of collective identity and action in shaping social institutions and patterns of social inequality. They ignore differences in the bargaining power between employers and among different groups of workers. If physical strength was terribly important to economic success in the 19th century, is there any evidence that it influenced earnings differences among men? Even in that time period, bankers, doctors, and lawyers earned more than farmers. Enslaved people—those who survived—were more physically robust than most of their owners and overseers, but this hardly worked to their advantage. Free women obviously had far more rights than women and men who were enslaved; nonetheless they were also subject to institutions devised and enforced by others: patriarchal laws, norms, and patterns of control over resources that limited their bargaining power relative to men.

Similar constraints are relevant to other claims regarding the technology/gender nexus. The increasing importance of education, increasing women’s potential contribution to household income, may well have reduced men’s resistance to keeping women in the home. However, it does not explain how women fought for and won changes in property law giving them legal rights to both inherited wealth and their own earnings. Washing machines were a great invention, but much of the time they saved was reallocated to better meal preparation and higher standards of cleanliness for homes and wardrobes rather than to earning individual income. Quantitative analysis of the effects of access to contraception relies entirely on variation in the timing of its legalization across states—the result of a difficult and uneven struggle to modify institutions.

Most introductory economics courses take pains to explain that workers generally get what they deserve because they are paid the marginal product of labor. As Gregory Mankiw puts it, “The rich earn higher incomes because they contribute more to society than others do” (Mankiw 2013, 29). By extension, men earn higher wages because they contribute more to society than women do. These claims are not based on empirical evidence; they simply follow from the assumptions of marginal productivity theory (Folbre 2016). Gary Becker (1991) famously argues that women are less productive employees because they devote so much more time and energy to nonmarket household work.

Outside of introductory texts, the theory of marginal productivity has been largely displaced by a human-capital theory based on more empirical reasoning: statistical links between quantity and quality of education, labor force experience, and earnings. Such links never fully explained wage variation, but, ironically, they did expose the empirical impact of race and gender on rates of return to measured human capital (Folbre 2016).
Still, the theory's proponents often insist that poor measurement is to blame: Quality of education is variable, and women choose the wrong college majors. Now that women in the U.S. average higher educational attainment than men, attention has shifted to gender differences in labor force experience and hours of work. Claudia Goldin and Lawrence Katz (2016) argue that women in top professional and managerial occupations earn less than men largely because they are unwilling to devote long hours to the highly paid jobs that require such commitment.

Most women do put in fewer hours of employment than men. They are more likely to be employed part time and much less likely to put in more than 40 hours per week (Cha and Weeden 2014). That employers are willing to pay significantly higher hourly wages for long work hours suggests that they help generate profits. But greater profitability does not necessarily imply greater productivity or efficiency. Among the institutional factors that influence the relationship between hours of work and hourly pay are public policies governing overtime requirements (quite weak for professional/managerial occupations) and work-related benefits such as health insurance and pensions. In the United States today, such benefits make up about 38% of total compensation and are greatest in high-paying jobs (BLS 2019a). U.S. labor market competition demands extremely long hours from workers competing for high-wage jobs and short, unpredictable “just-in-time” hours from those competing for many low-wage jobs. Given a meaningful choice, both women and men would prefer more balanced options.

The organization of many professional and managerial jobs with regard to time has been institutionalized on the establishment level, often in ways advantageous to senior managers. Because the prevalence of extremely long hours in top-paying jobs has been influenced by managerial preferences and power, rather than dictated by technology, it can be renegotiated. Growing demands for more family-friendly policies, along with stricter rules against sexual harassment and awareness of glass ceilings that limit women’s advancement, have had tangible, if partial, effects. In professions where women have gained a strong foothold, such as accounting, law, and medicine, pressure for change is mounting, particularly since many professional men now lack the stay-at-home spouse who once enabled them to clock long hours in paid employment (Goff and Le Feuvre 2017; Lott and Klenner 2018).

If individual choices and actions are deemed the primary movers of social change, then much depends on what individuals want. Yet political, cultural, and economic power both shape preferences and constrain the ways in which they can be acted upon. Historically, neoclassical economists have warned against ad hoc assumptions regarding differences in preferences, since such assumptions can be used in a circular way to explain virtually any behavior (“they did it, so they must have wanted to do it”) (Stigler and Becker 1977). Nonetheless, many researchers continue to echo the long-standing claim that women earn less money than men simply because they care less about their earnings, prioritizing family care even at the price of poverty (Fuchs 1988; Hakim 2000). This claim fits neatly into the theory of compensating differentials, which holds that workers are willing to pay a wage penalty in order to enter jobs with nonpecuniary characteristics that they value (Rosen 1986), and dovetails with the claim, described above, that women wage earners are less productive than male wage earners because they are unwilling to work as hard or...
Considerable evidence suggests that, on average, in the U.S. women have different preferences than men do, often related to the importance of money versus people (Croson and Gneezy 2009; Fortin 2008). However relevant such differences may be, they do not fully explain gender differences in earnings, for several reasons. A focus on averages can be misleading. Differences in specific preferences, such as those relating to risk, are often small, reflecting considerable overlap between women and men (Nelson 2016). Data from stylized experiments and surveys cannot fully capture the nuances of gendered behavior: Men may be more competitive than women in some contexts, but not in others (Bjorvatn, Falch, and Hernaes 2016). For instance, experimental evidence suggests that when rewards benefit offspring rather than players, mothers are just as competitive as fathers (Cassar, Wordofa, and Zhang 2016).

Preferences operate in a social context: Norms influence both the formation of preferences and the cost of expressing them. For instance, gender differences in competitiveness are not apparent in matrilineal societies (Gneezy, Leonard, and List 2009; Andersen et al. 2013). In the U.S., as in other countries, women who move into better-paying but stereotypically masculine occupations often face sexual harassment and disapproval. Preferences that pay off in the labor market can prove costly for heterosexual women in the dating market (Badgett and Folbre 2003). Gender norms work the other way as well: Evidence suggests that men entering traditionally female occupations have a harder time finding spouses (McCIntock 2020). And when wives earn more than husbands, both spouses slightly tilt their reported earnings to conform to gender stereotypes, overstating the relative size of husbands’ earnings (Murray-Close and Heggeness 2018).

The economic context also invites attention. Why do certain preferences impose a penalty, while others do not? And what determines the size of the penalty? After all, some people land in jobs that offer them high pay as well as nonpecuniary benefits. Mainstream theory defines compensating differentials as a kind of psychic income determined by the impersonal forces of supply and demand; it assumes that workers maximizing their utility and employers maximizing their profits make efficient decisions. The real story is more complicated: Both market forces and social institutions influence the “price” of caring for others.

While the textbook theory of labor supply focuses primarily on the trade-off between hours of market employment and hours of leisure time, adult Americans devote about as much time, on average, to unpaid work such as housework, home repair, and child care as they do to paid employment (BLS 2019b). This work, while not included in measures of gross domestic product, creates profound economic benefits, producing and maintaining the human capabilities on which the market economy depends. Employers, however, have little economic incentive to help pay for it. Expenditures of time and money on children and other dependents, whether made by families or through the state, are considered just another form of consumption. The care of family, friends, and neighbors represents an “externality” that is easily taken for granted, like the natural environment and the global climate.
Many women self-select into traditionally female occupations because they consider these more compatible with the demands of family care (Charles and Grusky 2005). But while they may be aware that these jobs pay less than traditionally male jobs, they don’t choose the size of the resulting pay penalties. In the U.S., the percentage of women in an occupation is inversely related to its average pay, even controlling for human capital characteristics. Sociologists offer considerable empirical evidence of what they term a “devaluation” effect (England, Allison, and Wu 2007). Occupations that involve face-to-face or hands-on care for others also impose pay penalties (even independent of female percentage) (Bittman et al. 2003; Hodges, Budig, and England 2018; Pietrykowski 2017). These occupational penalties vary considerably across countries because they are significantly shaped by public policies, union membership, and labor market conditions (Budig and Misra 2011; ILO 2018). While workers’ choices of employment are often constrained, employers’ decisions are empowered not only by their ability to hire and fire but also by their ability to “invest” in political and cultural influence.

Across all occupations, many women experience wage penalties as a result of becoming mothers (England, Budig, and Folbre 2002). In recent years, this penalty has declined for married mothers in the U.S. but remains quite high for single mothers (Pal and Waldfogel 2016). Comparative international research shows that work–family policies, such as paid family leave, child allowances, and pension credits for unpaid work, can mitigate these penalties (Harkness and Waldfogel 2003; Boeckmann, Misra, and Budig 2015; Budig, Misra, and Boeckmann 2012). A recent review of research on the gender wage gap notes that women’s labor force participation rates in the U.S. have grown more slowly than those in northwestern European countries in recent years, probably as a result of differences in family policy (Blau and Kahn 2017).

This research both parallels and extends insights on the pay penalties for less-than-full-time employment that affect men as well as women. Such penalties vary across countries but tend to be higher for men than for women, partly because women’s earnings are already lowered by the factors outlined above. Labor force surveys in the U.S. show that workers who report being involuntarily part time pay a penalty larger than those who report their status as voluntary, a finding somewhat inconsistent with the compensating differentials approach (Golden 2020).

Here again, institutions matter. Employers may prefer to offer only part-time jobs because they can easily be excluded from benefit packages or contracted out (Weil 2017). In retail services, in particular, many businesses rely on short, unpredictably scheduled hours in order to match fluctuating levels of customer demand, a strategy that benefits employers more than workers (Lambert 2008). Like long hours, short and unpredictable hours can make it difficult for workers to meet family care responsibilities (Morsy and Rothstein 2015; Carrillo et al. 2017). Employers seize gains while families—also part of the economy—suffer losses that don’t show up on conventional balance sheets.

The persistent though diminished role of gender discrimination in the labor market testifies to the power that employers exert across a wide range of labor markets. The strongest evidence of discrimination in the not-too-distant past comes from studies that effectively isolate the effect of gender from assessment of actual or potential experience on the job.
One well-known example explores the positive implications for women orchestra musicians of auditioning behind a screen concealing their gender identity (Goldin and Rouse 2000); another example, based on submission of otherwise quite similar resumes to high-end restaurants (an “audit” study), revealed a distinct preference for male applicants (Neumark, Bnak, and Van Nort 1996).

More recent studies using audit methodologies reveal a pattern of discrimination against mothers based on rather subtle cues, such as participation in a parent-teacher organization listed on a job resume (Correll, Benard, and Paik 2007). Some lawyers argue that the most consequential form of discrimination in the U.S. today takes this form (Bornstein, Williams, and Painter 2012). In many ways it illustrates the potential role of statistical discrimination, since employers may well assume that mothers of young children face other demands on their time that lower their performance in paid employment. Yet motherhood penalties also illustrate the effects of long-standing employment policies built around presumptions regarding “ideal workers” that are now grievously out of date.

Audit studies of penalties paid by gay men in the labor market seem to offer more straightforward examples of “preference-based” discrimination (Tilcsik 2011). Considerable evidence suggests that employers also discriminate on the basis of gender identity as well as sexual orientation (Badgett et al. 2009). The pattern of results in one recent audit study strongly suggests forms of implicit bias—bias of which respondents might themselves be unaware—linked to expectations regarding traditionally male and female behaviors (Gorsuch 2019). This finding is consistent with research showing that the same personality traits affect men’s and women’s earnings differently—men seem to be rewarded for assertiveness, while women are not (Mueller and Plug 2006).

Research building on standard neoclassical models has generated many little individual pieces that fit into a jigsaw puzzle that still has many glaring holes. Contrary to predictions, individual employers are often able to influence wages, and market forces do not necessarily erode discriminatory preferences. The textbook distinction between the supply side and the demand side of the labor market is weakened when employers adjust demand for workers based on assumptions regarding future labor supply, and women supply labor to the market based on assumptions regarding future demand. Furthermore, firms often have significant ability to influence wages in ways that buffer mechanisms of competitive supply and demand.

Traditionally, the term “monopsony” was used to describe the market power a particularly large employer could wield in a local labor market where worker mobility was limited. Today it is increasingly applied to broader circumstances in which the supply of labor does not respond in a sensitive way to wage offers. Research on linked employer–employee data in the U.S. shows that women’s labor supply is less elastic than men’s because women’s mobility between jobs is limited by obligations of family care (Webber 2016). Employers can easily take advantage of this difference, engaging in what might be termed “strategic discrimination.” That is, they pay women less than men not because they have a preference for hiring men but because they recognize that women are more likely to accept lower wages.
In other words, employer discrimination, while often based partly on attitudes, is heavily influenced by institutional context. Economic models that focus entirely on the individual choices of individuals and firms have little to say about the processes of collective action that influence laws, norms, and access to economic resources. Hence, it is important to plug many of the findings above into a broader picture of social institutions affecting the relative bargaining power of employers and different groups of workers.

Bargaining for change

Feminist theories of intersectional inequality have much in common with stratification economics in that they both emphasize multidimensional forms of group conflict over rules, norms, and the distribution of economic resources (Folbre 2021; Darity 2005). As suggested by the term “social contract,” these institutional arrangements are under virtually constant negotiation at many different levels. Bargaining often characterizes situations where two parties, whether individuals or groups, see potential gains from mutual cooperation but disagree over how those gains should be shared. Both parties can potentially benefit from coming to an agreement, and their share is likely to be strongly affected by their fallback position, or next-best option.

Bargaining is not always an agreeable, consensual process, and it is heavily influenced by threats and bribes. Indeed, the process often termed “cooperative conflict” can sometimes be described instead as “coerced cooperation” (Folbre 2021). Examples of individual bargaining include activities as diverse as negotiating a new job or deciding who should cook dinner. Examples of collective bargaining include efforts to regulate labor contracts or to join with other similarly positioned or like-minded people to challenge other institutional arrangements or implement new ones. When members of disempowered groups come together with sufficient conviction in sufficient numbers, they can sometimes change the balance of power.

Recent changes in the legal definition and prosecution of sexual harassment provide a vivid example. Sexual harassment at the workplace is a terrible experience, and research indicates that it has serious economic consequences, leading many young women to change jobs, lose the benefits of tenure and firm-specific experience, and end up in safer but lower-paying occupations (McLaughlin, Uggen, and Blackstone 2017). Women’s ability to protect themselves in the workplace has been significantly affected by hard-won legal protections that were a long time coming. While the 1964 Civil Rights Act outlawed explicit discrimination against women, sexual harassment was not included until the Equal Employment Opportunity Commission officially began to consider unwanted sexual advances as a form of discrimination in 1980. In 1986, a Supreme Court decision (*Meritor Savings Bank v. Vinson*) held employers responsible for the sexual harassment of their workers (if made aware and given a chance to remedy it). In 1993, the Eveleth Taconite Co. was found liable in a lawsuit filed by more than 100 women who were victims of sexual harassment, a story eloquently told in the documentary film *North Country* (Thomas 2016).

Employers quickly took advantage of two legal tools to buffer threats of prosecution. Confidential settlement agreements allowed them to buy their way out of protracted legal
actions while protecting their reputations and concealing the true extent of actionable harassment (Baum 2019). The mandatory arbitration clauses that proliferated in employment contracts often tied women’s hands (Levinson 2019). Individual women often lacked sufficient bargaining power to effectively defend their legal rights. Investigative reporting and social media helped tip the balance: In 2017, Facebook reported more than 12 million posts, comments, and reactions regarding #Me Too, numbers that lent weight to individual complaints and challenged conventional social norms of the “boys will be boys” variety (Garcia 2017).

The prosecution and conviction of celebrities like Bill Cosby and Harvey Weinstein have shifted social norms of unacceptable behavior in intimate transactions away from attention to physical coercion toward emphasis on the need for unconstrained and explicit consent. This shift has fascinating implications for the analysis of other voluntary transactions, including those between employers and workers. Economic coercion can take many forms. Before the 1990s, threats such as “have sex with me or you’ll never work in this town again” may have been considered vile, but they were not deemed illegal. Consider the parallel with “sign this arbitration or noncompetition clause in this contract or you’ll never work in this town again.”

Feminist reasoning challenges the consensual nature of intimate transactions when one person wields far more power than the other, an extension of the legal doctrine labeled “abuse of position,” which often prohibits sex between police officers and those they arrest, health professionals and their patients, or managers and those they supervise. As Wall Street Journal reporter Stuart Green observes, hierarchical power makes it impossible to accurately assess genuine consent (Green 2020). The same reasoning can be extended to economic transactions between those in command of great wealth and workers lacking any viable alternatives to employment by them.

Bargaining is an intrinsically multilayered and circular process in which initial gains can be parlayed into a stronger bargaining position that can, in turn, guarantee even larger gains. Both individual and collective capabilities come into play, along with external factors (such as the unemployment rate) over which bargainers have little control. An individual’s fallback position in bargaining over earnings depends partly on individual characteristics (such as level of education and years on the job) that are often measured, and some characteristics (such as wealth ownership, job-specific skills, and potential support from other family members) that are not. However, fallbacks for workers as a group are indirectly and directly affected by the institutional environment: the minimum wage, the level of unemployment, the threat of outsourcing or technological obsolescence, and the social safety net, including access to unemployment benefits, health insurance, pension benefits, and other income transfers. Differences in fallbacks among different groups of workers are heavily influenced by factors such as gender, sexuality, race, and ethnicity, which affect personal histories (such as access to education), norms and values (such as commitments to family care), and employers’ perceptions of “ideal workers.”
Multiple sources of bargaining power

A first step toward a more comprehensive model of gender bargaining in the labor market reframes some of the findings of mainstream research reviewed above. For instance, differences in productive technology (such as reliance on the hoe versus the plow) could have implications for women’s relative productivity in agriculture, and their relative productivity could, in turn, affect their fallback position—their “outside” option. Levels of intergroup conflict are also relevant: Vulnerability to abduction, rape, or violence outside the community makes it difficult for women to challenge community restrictions on their economic opportunities. Differences in weapon technology can influence the scope of gendered bargaining power. In Naomi Alderman’s science fiction tale, The Power (2017), a mutation caused by toxic military waste gives young women the capacity to generate bioelectric shocks that give them a distinct advantage over young men in hand-to-hand combat. Women as a group are empowered by it.

But this story, like Margaret Atwood’s The Handmaid’s Tale, also points to the role of social institutions that crystallize and fortify disempowerment. In the early U.S.—as in many other countries—specific laws and public policies excluded white women as well as enslaved women and men from participation in political decision-making, restricted their property rights, and limited their access to forms of education and experience that would have enabled them to compete with men (Schloesser 2002). They also excluded women from leadership in institutions such as established churches that had influence over norms and preferences.

These institutions were established through processes of collective action—a topic that, with some important exceptions, neoclassical economists tend to ignore. Often such collective action required alliances between groups with somewhat disparate interests, resulting in complex patterns of legitimation and cooptation. Members of partially disempowered groups such as wealthy white women or white working-class men often found themselves in contradictory positions, advantaged in some respects, disadvantaged in others. The complexity of identities and interests in intersecting and overlapping hierarchies made it difficult to mobilize opposition to the status quo (Folbre 2021).

Women are not a homogenous group. The only way to fully understand the position of women in the labor market is to examine how the disadvantages they face interact or overlap with other dimensions of group membership such as race, ethnicity, class, and citizenship (McCall 2001). The same holds for people who identify as lesbian, gay, bisexual, transsexual, or queer. A broad approach to bargaining power calls attention to all the factors that may combine to influence relative fallback positions in the labor market. It has long been observed that the effects of discrimination based on race and gender cannot simply be added up: They interact in complex ways (Greenman and Xie 2008). Women wage earners, like all wage earners, are divided in some respects even while they are unified in others.

The level of unemployment is generally considered a significant determinant of the bargaining power for all employees aiming to improve their wages and working conditions. It also can also significantly influence the relative position of different groups of
workers. For instance, when the labor market is slack because the unemployment rate is high, competition for available jobs can intensify efforts to exclude less-empowered workers from the market (Bonacich 1972; Williams 1987). On the other hand, when the labor market is tight, competition among workers is diminished, and the cost of discrimination to employers goes up. Biddle and Hamermesh (2013) provide evidence from Current Population Survey data over the 1979–2009 period that employers discriminate less against women in a tight labor market.

Differences in the relative earnings of women and men (and between other subgroups) are significantly influenced by the overall level of earnings inequality, especially the overall distance between those at the top and those at the bottom. In Sweden, for instance, women earn more relative to men than in the U.S. in part because there is less overall earnings inequality (Blau and Kahn 2017). Increases in the polarization of earnings in the U.S. have made it particularly difficult for women to catch up with men (Fortin, Bell, and Böhm 2017). At the same time, the small number of women who manage to “swim upstream” intensifies class divisions among women, weakening feminist coalitions. It hardly seems incidental that feminist public policies have flowered most profusely in Scandinavian countries characterized by relatively low levels of class and race inequality.

One of the most important paths to upward economic mobility in the United States for the past 50 years has been attainment of university and postgraduate degrees. When discriminatory barriers to entry were lowered, young women from relatively affluent—and typically relatively white—backgrounds were able to climb this path. Black and Hispanic families were less able to finance their children’s education. The historical effects of racial discrimination exert a strong effect on family income and intergenerational wealth transmission, as well as labor markets (Darity 2005). Partly as a result, the median Black–white earnings gap has followed a very different trajectory than the median woman–man earnings gap and is now about as large as it was in 1950 (Bayer and Charles 2018).

Yet gender also exerts an influence: Black women enjoy greater earnings mobility relative to their white counterparts than Black men do (Chetty et al. 2019). There’s no simple explanation for this divergence, but the difference between individual earnings and access to income seems relevant. Black women may be under greater pressure than white women to increase their earnings because their chances of marrying and pooling income with a high-earning man are much lower. Most women who make it to the top 1% of income—a very small group—do so through marriage, not by their own earnings (Yavorsky et al. 2019).

Family background also matters. In the U.S. today, class and race generally affect access to intergenerational transfers more directly than gender does. Children raised by single parents (typically their mothers) are especially vulnerable to economic disadvantage, but this family structure is far more common in the bottom half of the income distribution than the top half. Recent research using longitudinal data documents substantial differences in earnings among young people with different family backgrounds but similar educational attainment, even after taking the effects of college selectivity, college major, and academic performance into account (Witteveen and Attewell 2017; Laurison and Friedman 2016).
Parents with significant financial resources convey a number of tangible benefits to their young adult children—support for additional training (such as unpaid internships), payment of tuition and fees, safety-net assistance while experiencing unemployment or engaging in a job search, and help with mortgage down payments.

Consideration of these multiple sources of relative bargaining power puts inequalities based on gender and sexuality in context and explains why women are not an automatically unified constituency for change. Feminist organizing efforts have often been most successful when allied with a larger vision of economic justice and sustainability. A closer look at the forms of institutional change that have increased women's collective bargaining power in the U.S. illustrates the significance of intersectional alignments. It also helps explain why resistance to gender equality remains so persistent.

**Bargaining for equality**

Efforts to develop the coalitions necessary to undermine patriarchal institutions pepper the historical record (Amott and Matthaei 1999). A detailed chronology matters less than appreciation of the thrust of collective efforts to reduce social divisions and challenge multidimensional inequalities. Initially focused on gaining property rights, the franchise, and access to higher education, feminist activists began to challenge institutions governing paid employment. Even small successes proved significant, gradually peeling back layers of institutional resistance and, in the process, revealing many of the dynamics by which group-based inequalities are reproduced over time.

In the early 19th century, women who gained political experience in the abolitionist movement went on to hold the first Women's Rights Convention in Seneca Falls, N.Y., in 1848. Their basic principles were based on the U.S. Declaration of Independence and the rights of all persons to life, liberty, and the pursuit of happiness. Yet extreme racial divisions were toxic. With the advent of the Civil War, Union victory, and a constitutional amendment to give Black men—b ut not women—the right to vote, predominantly middle-class white women became the loudest voice of feminist activism. The promises of abolition proved short-lived, broken by the force of white supremacy. Political maneuvering on the state level led to the development of Jim Crow laws that segregated and disenfranchised African Americans as a group. Racial divisions also undermined the labor movement. Solidaristic groups such as the Industrial Workers of the World (IWW) were eclipsed by a trade union movement largely fixated on potential gains for white men (Hill 1996). During the early decades of the 20th century, campaigns to give women the franchise and expand their access to education found expression in the Progressive Era concept of “the New Woman” (Rich 2009). Social feminists like Florence Kelley and Jane Addams insisted that poverty and inequality were important issues for women. In 1920, woman's suffrage was finally achieved—a major political event that led to significant shifts in legislative priorities, including greater public spending on health care (Miller 2008). With growing numbers of young women in wage employment, socialist feminists emerged within the trade union movement. While racial divisions remained extreme, efforts to build
progressive coalitions were at least partially successful (Tax 2001).

The shock of the stock market crash of 1929 and the ensuing Great Depression led to major political realignments, and the New Deal laid the foundations of the modern welfare state. Women played a relatively important role in Franklin Roosevelt’s administration, and their efforts had a lasting impact (Cobble 2005). Yet policies implemented early in the Great Depression and during the New Deal treated women as secondary earners, exemplified by 1932 legislation that required government agencies to fire one member of each married couple working in government—a policy clearly directed at working wives (McGuire 2008). Furthermore, many New Deal policies explicitly discriminated against people of color, a story well-told in Ira Katznelson’s book, *When Affirmative Action Was White* (2006).

The concept of unfair discrimination itself only gradually entered political and legal discourse, largely as a result of the concerted efforts of disempowered groups. The very concept had subversive implications, because its application cannot be limited to one or even two categories of group identity. The processes by which such discrimination takes place and the outcomes it generates are similar, regardless of the characteristics of those affected. Thus, increased awareness of one form of discrimination—as well as adoption of measures to challenge it—typically has gradual spillover effects on other forms. The ability to discriminate in a competitive labor market is conditioned on unequal bargaining power.

Fast forward to the Equal Pay Act of 1963 and the Civil Rights Act of 1964, landmark legislation that prohibited discrimination on the basis of race and sex, initially defined as paying men and women working in the same place different salaries for similar work. Many factors, including relatively rapid economic growth in the preceding years, contributed to changes in norms, preferences, perceptions, and incentives that made this legislation possible. But the cumulative effect of persistent and insistent collective protests against sexism and racism was also significant, and the new legislation itself altered the moral landscape. In the vocabulary of neoclassical economics, perceptions and preferences are partially endogenous: People can and do influence what other people see, believe, and want—which is exactly why control over various means of influence is so important.

The Civil Rights Act catalyzed waves of political mobilization and legal challenge that gradually expanded its scope (Thomas 2016). Definitions of discrimination were expanded to prohibit differential treatment based on marital status and to encompass sexual harassment. Transformation of the legal landscape reached beyond private workplaces to public policies including taxes and Social Security benefits. Educational institutions were also a major site of transformation, as more women entered university and professional training, increasing their access to professional and managerial jobs. Potential to realistically take advantage of anti-discrimination law, while still limited, was expanded as recently as the Lily Ledbetter Fair Pay Act of 2009, extending the time period during which discrimination charges can be filed.

Affirmative-action policies designed to compensate for both implicit and explicit bias had tangible, if modest, economic consequences. Analysis of complaints filed with the Equal Employment Opportunities Commission over a 30-year period suggests that their effects
diminished somewhat over time (Kurtulus 2016). Yet some evidence suggests that even temporary policies alter employers’ long-run decisions, exerting an influence even when they are no longer officially in effect (Miller 2017). Ironically, legal challenges to affirmative action in higher education have been accompanied by its relatively successful institutionalization in the U.S. military (Knowles 2013). It is perhaps not surprising that access to higher education is more heavily guarded than access to military combat.

Legal changes and political pressures have clearly helped boost the relative earnings of both Black and white women since the 1960s. And fierce opposition to affirmative action based on gender and race has spurred efforts to develop affirmative action policies based on economic disadvantage as a supplement (not a substitute) for them (Orentlicher 2016).

Lesbian, gay, bisexual, and transsexual people have also made important gains. In 2015, the U.S. Supreme Court struck down all state bans on same-sex marriage, legalized it in all 50 states, and required states to honor out-of-state same-sex marriage licenses. Some workplace protections were implemented in at least 22 states and many large cities even before the U.S. Supreme Court declared in June 2020 that federal law bans employment discrimination based on sexual orientation and gender identity.

The process of bargaining for equality through institutional change has obviously fallen short, in part because it has elicited powerful pushback from groups most threatened by it. Prominent conservative thinkers like Christopher Caldwell reject the Civil Rights Act itself as a travesty and swindle (Rauch 2020). Wealth in the U.S. is highly concentrated in predominantly white and male hands (Kijakasi 2019), and this wealth is systematically deployed in ways that shape access to information and the tenor of political discourse to defend the status quo. Still, even failed efforts to bargain for gender equality yield some important lessons, and new alliance-based bargaining strategies are emerging.

**Bargaining lessons**

Neoclassical economic thinking focused attention on the discriminatory preferences of employers, consumers, and workers, helping motivate efforts to outlaw discrimination and erode discriminatory norms. Yet this thinking remained superficial, avoiding consideration of deeper institutional inequalities—embedded in public policies and private families—that remain highly resistant to market forces and attitudinal change. Economists and policymakers alike underestimated the inertial momentum of gender inequality or “hysteresis,” defined as the dependence of the state or a system on its history—in this case, the bargaining power of employers relative to workers.

“Equal pay” dictates were, from the very outset, subject to the caveat “for equal work.” Yet laws giving employers the right to restrict information about wages paid made it difficult for women to assess the fairness of their working conditions. High levels of occupational segregation were—and remain today—the largest immediate cause of gender inequality in earnings. Efforts to improve the relative pay of primarily female jobs—rather than merely female workers—met powerful criticism based on the simplistic neoclassical assumption that occupational pay was largely determined by occupational “value added” or
productivity. Finally, the supply of women’s labor to the market was treated merely as the result of individual choices, with little attention to the constraints imposed by a traditionally male-oriented organization of work, school, housework, and child care.

**Information asymmetries**

No one has better dramatized the importance of information about what fellow workers earn than Lilly Ledbetter, a supervisor at Goodyear Tire & Rubber who was about to retire when she received an anonymous note revealing that she had, for some time, been paid considerably less than men with less seniority in the same job. She filed suit against her employer only to find that her window of opportunity had closed as a result of a technical statute of limitations in the relevant legislation. While Ledbetter never received any legal redress, Congress passed the Lilly Ledbetter Fair Pay Act in 2009, ensuring that future charges of discrimination would not be foreclosed in the same way. Had she not received and acted on that anonymous note, many workers today would remain unprotected.

Employers are often able to use their control over information to lower women’s wages relative to men’s. While the Fair Labor Standards Act of 1938 guarantees the right of some workers to discuss their salaries, not all workers are covered, and others remain unaware of their rights. As of 2014, about half of all employees in the U.S. were either contractually forbidden or strongly discouraged by their employers from revealing their salaries (DOL 2014). Highly paid workers may themselves be reluctant to reveal what they earn to those they believe earn less. A number of states, however, have explicitly outlawed pay secrecy, a step that has the added effect of helping change workplace norms. One statistical analysis taking advantage of differences in the timing of these laws in different states finds that such laws had positive effects on the earnings of women with higher education levels and reduced the gender wage gap (Kim 2015). Yet long-standing efforts to pass a federal law against pay secrecy have been consistently stymied by conservative opposition.

On the other side of the information street, employers in most states have the right to ask job applicants what they earned in their previous jobs, information that allows them to accurately assess individual fallback positions and minimize their salary offers. Of course, applicants can refuse to answer the question, but doing so may well jeopardize their chances of landing the job. In 2016, Massachusetts became the first state to ban such salary history questions and as of 2019 a total of 14 states plus Puerto Rico had implemented such bans (McGregor 2019). Statistical analysis of the consequences based on comparison of employer behavior across states and over time (a “difference in differences” design) shows that employers required to observe these rules posted wages more often and increased pay for job changes by about 5% overall, with an 8% increase for women and 13% for African Americans (Bessen, Denk, and Meng 2020).

Information asymmetries help reproduce existing wage inequalities but are not the only factor explaining resistance to change. Simple inertia comes into play: One study of the California state civil service finds that underpayment of female-dominated jobs in the 1930s carried over to the early 1990s (Kim 1999). A large sociological literature demonstrates that women’s entrance into previously male-dominated occupations tends
to lower the average occupational wage (speeding men’s tendency to exit these occupations as they tip female; see, for instance, England, Allison, and Wu 2007). This process, often described as “devaluation,” is at least partially driven by the fact that women start out in lower-paying occupations, which lowers their bargaining power (or, in more technical terms, their “reservation wage”). Employers don’t need to ask a specific salary question to know that the average female worker earns less than her average male counterpart, and to adjust wage offers accordingly.

**Defining ‘equal value’**

The principle of equal pay for equal work always implied something larger—equal pay for work of equal value. However, the concept of “equal value” is underdeveloped in neoclassical economics, which typically equates price and value. By this reasoning, whatever a worker is paid represents his or her value added: The market promises just deserts (Folbre 2016). Gregory Mankiw’s assertion that, “The rich earn higher incomes because they contribute more to society than others do” (Mankiw 2013, 29), and the corollary that men earn more than women because men contribute more to society, is based on circular reasoning that ignores the ways bargaining power conditions the relationship between what workers produce and what they earn. Early efforts to articulate principles of comparable worth and pay equity emphasized this point, demonstrating that female-dominated occupations pay less than male-dominated occupations and, further, these differences were often embedded in company-level personnel policies and internal pay scales that were heavily insulated from market forces (Treiman and Hartmann 1981). As sociologists put it, female-dominated jobs were devalued by employers and, more broadly, by society as a whole (Feldberg 1984; England 1992). Cultural norms can affect perceptions of relative value in ways that reduce women’s bargaining power.

Economists were uniformly skeptical of this argument, insisting that the forces of supply and demand in labor markets align wages and productivity in the long run, even though short-run shocks can disrupt this relationship (as when skilled workers are thrown out of work by automation). Neoclassical reasoning often explained differences in pay between male and female jobs as a result of female preferences for certain types of work (Killingsworth 1987). Economists pointed to differences on the supply side (workers’ choices) rather than on the demand side (employers’ choices) (Holzer 1995). Influential critics of comparable worth insisted that it would interfere unnecessarily with market forces, and they carried the day: Revised job evaluation standards had little impact outside of a few states (Washington, Minnesota, and Iowa), where they increased women’s earnings in state government employment (Sorensen 1994).

More recently, however, a new variant of comparable worth reasoning has emerged, emphasizing that many female-dominated services have a public good dimension—their social value exceeds their private value. The work of caring for others—whether in industries such as health, education, and social services or in occupations such as child care, elder care, teaching, and nursing—creates value that is difficult to capture through the market because it has positive spillover effects and involves emotional engagement, teamwork, and person-specific skills. The effective collaboration of “consumers”...
themselves (students, patients, clients) affects the value of the work performed (Folbre 2012, 2017).

A growing body of empirical work documents pay penalties for both women and men in many types of care work, controlling for individual levels of education and experience and also unobserved individual differences (England, Buddig, and Folbre 2002; Hirsch and Manzella 2015; Barron and West 2013; Pietykowski 2017; Hodges, Budig, and England 2018; Folbre and Smith 2020). While a large percentage of care work is either provided or financed through the public sector, these effects hold even in private employment. The direct effects of occupation and industry are modest—with penalties ranging from about 2% to about 18% of earnings. However, since women are disproportionately concentrated in care industries and occupations, these pay penalties lower their earnings relative to those of men on top of the negative effects of gender per se. Furthermore, as noted earlier, women’s lower levels of labor force experience and hours worked (standard control variables) are themselves a reflection of institutional pressures for women to specialize in unpaid family care.

In some ways, research on care penalties builds on the neoclassical principle that private and social value can diverge, as is the case with environmental spillovers or externalities. Yet many neoclassical economists are reluctant to acknowledge the implications of this divergence. Women’s tendency to devote more hours to unpaid care work than do men is interpreted as a result of feminine preferences rather than as the result of institutional pressure to ensure a generous supply of female effort to activities such as family care that cannot be rewarded by market forces. Similarly, the professional commitments of essential care workers in the early stages of the COVID-19 pandemic are typically interpreted as moral heroism, worthy of applause, but not extra hazard pay. The obvious disjuncture between the pay these workers received and the increased social value of the services they provided goes largely unremarked (Folbre, Gautham, and Smith 2020).

Attention to the social benefits of care work extends the concept of comparable worth beyond the gender dimension per se to emphasize disjunctures between private and social value that have proved particularly disempowering for women. It also highlights links between the interests of providers and consumers of care services, since higher pay and improved working conditions often contribute to lower turnover and higher-quality services (Folbre 2006). Likewise, increased public funding of care services can benefit both workers and citizens. For instance, a political alliance between unions and disability rights activists in the late 1990s led to higher wages and benefits for home care workers in California’s Bay Area, prompting institutional changes in a significant number of other states (Howes 2005; Boris and Klein 2015). Likewise, teachers’ unions have been in the forefront of efforts to develop the concept of “bargaining for the common good” (McCartin 2016).

A recent wave of successful teacher strikes in predominantly Republican states drives this point home. In spring 2018, walkouts and related political actions in three traditionally red states—West Virginia, Oklahoma, and Arizona—won stunning victories, including significant salary boosts and increased budget commitments to public education (Blanc 2019). Local activists took the lead, with considerable union support, and spillover effects
were felt in many other locales. Teachers had good reason to mobilize—their pay, low to begin with (especially by international standards) has stagnated for more than 10 years (Hanushek, Piopiunik, and Wiederhold 2019; Allegretto and Mishel 2019). Turnover rates are extremely high among new teachers, a result of poor working conditions, poor pay and benefits, and overemphasis on testing and accountability measures (Garcia and Weiss 2019).

Women constitute a growing majority of public school teachers, with their representation reaching 76% in 2015–2016 compared with 67% in 1980–1981 (Ingersoll et al. 2018). And women have proved adept at developing a bargaining-for-the-common-good strategy, building on their experience in a typically undervalued and underpaid feminine profession (Bhattacharya 2018). The red state actions built on the experience of the Chicago Teachers Union in 2012 in its actions against Mayor Rahm Emanuel (McCartin 2016). The teachers reached out to parents and local community members, arguing that better pay for teachers, linked to more generous funding for public education, would contribute to better outcomes for students. Evidence suggests that many parents affected by these actions, far from feeling aggrieved, became more sympathetic to—and interested in—workplace activism (Hertel-Fernandez, Naidu, and Reich 2019).

Teachers and staff worked together successfully, often relying on social media as a way of conducting strategic discussions as well as explaining their actions. Eric Blanc notes that, “One of the strikers’ secrets to success was that they consistently raised political demands—for examples, massively increased school funding—that lay outside the restricted bounds of normal collective bargaining” (Blanc 2019, 78). When the Oklahoma legislature offered salary concessions in an attempt to avert school closings, employees walked anyway, putting priority on the overall funding issue. Parents had good reason to support them.

Paid work/family work constraints

Plenty of media attention has been devoted to “work/family conflicts,” but the phrase itself betrays the assumption that family responsibilities don’t entail work. They do. Data from the American Time Use Survey, conducted annually since 2003, show that, on average, people devote about as much time to unpaid as to paid work, and the temporal constraints imposed by the care of dependents involve both active care and supervisory or on-call responsibilities (BLS 2019b). Responsibility for the care of family, friends, and neighbors weighs more heavily on women than men, not because women necessarily prefer this arrangement but because men often have sufficient bargaining power to minimize demands on their time. Women labeled as uncaring are typically stigmatized. Employers use this social norm to justify lower pay offers to women.

Gender, however, doesn’t tell the whole story. Employers who prefer “ideal workers” unencumbered by care responsibilities often have sufficient bargaining power to indulge this preference. Workers who would prefer “ideal employers,” on the other hand, are seldom able to find them. Many legal complaints of “family responsibility discrimination” have been filed by men (Williams et al. 2012). Private provision of family-friendly benefits
has expanded in recent years, but firms often limit these to upper-echelon workers, leaving others unprotected (Gerstel and Clawson 2014). Public subsidies for child care are limited to means-tested assistance for the poor and modest tax benefits for others. Heather Boushey puts it this way on the cover of her book *Finding Time* (2016):

“...business and government treat the most important things in life—health, children, elders—as matters for workers to care about entirely on their own time and dime. That might have worked in the past, but only thanks to a hidden subsidy: the American Wife, a behind-the-scenes, stay-at-home fixer of what economists call market failures. When women left the home—out of desire and necessity—the old system fell apart. Families and the larger economy have yet to recover.

The 1993 Family and Medical Leave Act, which guarantees rights to unpaid leave, covers only about half of U.S. workers, and many of those covered can’t afford to take it. No federal protections for paid sick leave from work have been put into place, despite evidence of threats to public health that became particularly visible in the early stages of the coronavirus pandemic. Employer opposition to paid sick days, paid parental leave, paid vacation, overtime, and scheduling regulation remains fierce.

Still, over the past two decades, efforts to regulate—through initiatives such as paid family leave and sick leave—the ability of employers to impose inflexible hours of work on women and men have enjoyed some success on the state level, increasing awareness of the advantages of the more family-friendly Nordic model (Maume 2016). California, New Jersey, Rhode Island, and New York have implemented paid family leave policies, and Massachusetts, Connecticut, Oregon, and Washington are committed to doing so in the near future. These gains are harbingers of future possibilities.
Conclusion

Social institutions solidify differences in collective bargaining power, making institutional change difficult to achieve. Emphasis on collective bargaining power does not imply that men and women are engaged in a zero-sum game where gains and losses cancel out. Processes of implicit and explicit negotiation often speed adaptation to new economic conditions and improve the terms of cooperation. However, long-run gains are often less visible—and less certain—than short-run losses. Furthermore, disempowered groups are diverse, making it difficult for them to act in concert. By contrast, powerful elites are fairly homogeneous, enjoying overlaps of many forms of privilege they are reluctant to relinquish. Employers have significant incentives to continue to pay women less than men.

The disadvantages women continue to experience in the labor market cannot be blamed on their own choices. Nor can they simply be attributed to inherent trade-offs between paid work and family care. As Claudia Goldin and Lawrence Katz (2016) observe, employers offer an hourly pay premium to workers willing to work exceptionally long hours, a factor that puts many women at a disadvantage. But while such long hours may be profitable for employers, they are not more productive for the economy as a whole. Indeed, the premium for long hours sends the message that time devoted to family care is a costly preference and an expensive luxury, rather than an important economic contribution.

Choices to collaborate with others to challenge unfair social institutions are among the most important choices people make. Such commitments, like investments in new technology, can be risky, but they also yield rich rewards for everyone. Like other disempowered groups, women are often able to overcome their differences, find allies, and bargain for change. Feminist efforts have never proved entirely successful, and their relative gains have been unevenly distributed. Nonetheless, the history of hard-won but cumulative successes challenges mainstream economic thinking and validates the rallying power of appeals to social well-being rather than private profit.

Endnotes

1. A particularly important exception is Jack Hirshleifer’s classic essay, “The Dark Side of the Force” (2001), which summarizes many points explored in more detail by conflict theorists such as Garfinkel and Skaperdas (2000).

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