

Children and Female Employment in Mongolia

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How does motherhood/caring after small children affect female
employment?

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Theoretical framework

- Becker (1991)
 - Men work, women stay at home due to 'specialization'
 - Women may re-enter the labor force (part-time) if domestic work permits this later in the marriage
- Iversen and Rosenbluth (2006)
 - Family is not a unitary actor
 - Becker's model fails to account for wide variation in female labor force participation at roughly equal levels of development
 - It comes down to bargaining power (e.g. divorce rules, economic power, childcare)
- Hochschild (1990)
 - Employment as 'double burden' or 'second shift' for working women given the involvement in unpaid household work and childcare
- Number of children will be an important determinant of female employment

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Literature

- Focused mostly on developed countries due to data constraints
- Angelov et al. (2016) – Sweden
 - 15 years after the first child has been born, the male-female gender gaps in income and wages have increased by 32 and 10 percentage points, respectively
- Kleven et al. (2020) – Denmark
 - Children create a long-run gender gap in earnings of around 20% driven by hours worked, participation and wage rates
- Bertrand et al. (2010) – United States
 - Hours and pay diverge significantly from men after motherhood for MBA graduates
- Other work finds no effect of children on female employment, e.g. Aguero and Marks (2008), Aaronson et al. (2017), and Heath (2017)

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What makes Mongolia an interesting case?

- Literature suggests that motherhood has a profound and long-lasting negative effect on the employment and earnings of women, yet little evidence from the post-communist region
 - Mechanisms behind the persisting disparities and gender asymmetries in the labor market unknown
- Rapid economic growth as a result of expansion of mining activities and the exploitation of natural resources leading to overdependence on this sector
- Low labor force participation rates but also low unemployment levels combined with a strong informal and animal husbandry sectors
- Progress in gender related issues in the spheres of health and education but significant gender inequality in the labor market
- Lack of data inhibits the design of effective policies addressing these issues
 - Existing studies draw from survey data collected in 2002-2009
 - LiK and HSES provide 2016 data

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Mongolia's socio-economic setting

- Most sparsely populated country in the world
- Little arable land and large area covered by steppes
- Around 30% are nomadic or semi-nomadic
 - Main occupation remains breeding livestock
- 60% of the population lives in cities
 - 40% residing in Ulaanbataar and 20% in the three other biggest cities
- Many nomads have chosen to migrate to the cities, settling in informal tent-dwelling ger districts on the city outskirts
 - In Ulaanbatar 60% of the population lives in ger districts, where poverty and unemployment are rampant
- Mongolia was under communist rule until 1992
- Rapid economic growth following the dissolution of the Soviet Union
 - Annual GDP growth rates up to 17% in 2011 and more recently at 5-7%
 - State supported mining sector accounts for 20% of GDP and 70% of total exports

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Mongolia's socio-economic setting

- Reverse gender gap in education
 - Only 55% of men compared to 77% of women were enrolled in university
 - Corresponding figures for East Asia were 51% for women and 43% for men
- Legal situation
 - Equal rights enshrined in the constitution
 - Equal treatment of women in workplaces with respect to hiring practices or remuneration neither specified nor practiced
 - Existing anti-discriminatory laws are often not upheld
 - No paternity leave, however, mothers are entitled to 120 days fully paid maternity leave
- Labor market
 - Female labor force participation lower by 10% (55% vs 65%)
 - Female unemployment lower by 1% (4.8% vs 5.8 %)
 - Mining accounts for fifth of GDP but only 19% of the employed in this sector are women

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Mongolia's socio-economic setting

- Fertility rates
 - Pre-1950: 5 children per woman
 - 1960-75: 7+ children per woman
 - 1975-2005: gradual fall to 2.18 children per woman
 - Post-2005: 2.91 per woman and trending upwards
- Childcare availability
 - Little investment due to falling fertility rates
 - Post-2005 policies too slow to account for growing number of children
 - 30% of children not in day-care, and those in kindergartens receive too little attention given the lack of teachers
- UNDP Gender Inequality Index
 - Takes into account factors such as maternal mortality, adolescent birth rates, share of seats in parliament held by women, level of education, and labor force participation
 - Mongolia scored 0.322 in 2018 and therefore lower than comparable post-Soviet economies, e.g. Kazakhstan (0.203), Russia (0.255) or Uzbekistan (0.303), as well as the East Asia (0.310)

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Sparse existing evidence from Mongolia

- Pastore (2010)
 - Gender wage gap increases with age, and becomes large and statistically significant for women of child-bearing age
 - Returns to education in Mongolia are lower by 12% for women compared to men
- World Bank (2013)
 - Men earn 1.2 times higher wages compared to women
 - The gap “is due to the fact that the market values men and women’s work differently rather than due to differences in observed characteristic”
- Schmillen and Weimann-Sandig (2018)
 - Gap in labor force participation is due to childcaring and household duties, which 30% of women report as the main cause of inactivity, compared to 6.4% of men
 - Relative earnings gap fluctuates cyclically around values of 12-23%
- Dandarchuluun and Choi (2019)
 - Evidence for a negative effect of universal child benefits on the labor force participation of women

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Data

- Life in Transition Survey (LiTS)
 - 2016 (and also 2010; 2006)
 - 1,500 households across 75 PSUs using two stage random probability stratified clustered sampling
 - Representative at the national level
 - Includes questions on attitudes and values
 - European Bank for Reconstruction and Development
- Household Socio-Economic Survey (HSES)
 - 2016 (and also 2014; 2012; 2011; 2010; 2009; 2007/08; 2002/03)
 - 16,500 households across 1,836 PSUs using two stage simple random sampling
 - Representative at the stratum level (i.e. Ulanbaatar, aimag centers, rural areas)
 - Does not include questions on attitudes and values
 - National Statistics Office

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Methodology

- Dependent variables
 - Employment
 - Attitudes towards women
 - Women are as competent as men to be business executives
 - Men make better political leaders than women do
 - A woman should do most of the household chores even if the husband is not working
 - It is important that my daughter achieves university education
 - Co-habiting partners should be married
 - It is better if the man earns the money and the woman takes care of the home and children
 - Household decision-making
 - Managing day-to-day spending and paying bills
 - Making large household purchases (e.g. cars, major appliances)
 - The way the children are raised
 - Social life and leisure activities
 - Savings, investment and borrowing
 - Looking after the children
- Independent variables
 - Number of children (also as factor dummy)
 - Number of household members in need of care, e.g. disabled and elderly
 - Number of children not in kindergarten or school
 - Health
 - Education
 - Parental education
 - Household income
 - Spouse's income
 - Age
 - Urban residence
 - Marital status
 - Household size

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Methodology

- Regression method
 - Ordinary least squares (OLS)
 - Logistic regression
- Strategies for addressing potential bias
 - Regional dummies to account for factors driving employment patterns, e.g. industrial concentration or geographic suitability
 - Clustered standard errors on regional level
 - Oster (2019) Robustness Approach
 - Takes into account coefficient and *R*-squared movements
 - Calculates how many times higher unobservables have to be to explain away the results

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Results

- Does having children affect the employment probability of women?
 - Yes. Women with children are significantly less likely to be employed compared to women with no children.
- Does having children affect the employment probability of men and women equally?
 - No. Women with children are significantly less likely to be employed compared to men.
- Does each additional child affect the employment probability in the same way as the first child?
 - No. Each additional child impacts employment differently, and the effect becomes stronger with each additional child.
- Does the age of the child affect the employment probability?
 - Yes. Pre-school children compared to children aged 7 or higher affect employment significantly stronger.
- Does the availability of childcare facilities affect the employment probability?
 - Yes. More than the number of children alone does the number of children not in kindergarten or school affect employment.

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Results

- Does household income affect the employment probability?
 - No. However, spousal income has a negative effect on employment. This holds for both men and women.
- Does the location of the household affect the employment probability?
 - Yes. However, only to that regard that only for urban households education positively affects the employment probability of women.
- Does women's age affect the employment probability?
 - Yes. However, the effect is non-linear, implying that age is positively correlated to employment only to a specific inflection point.
- Does the presence of elderly and disabled members in a household affect the employment probability?
 - Yes. Household member requiring care are negatively correlated with the employment probability of women.

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Results

- Does having children affect intrahousehold bargaining?
 - Yes. Women with children (aged 0-4) are more active in household decision making, compared to women without small children.
- Does having children affect attitudes gender attitudes?
 - Yes. Parents of small children are more likely to agree that women should take care of most of the household chores and that cohabiting partners should be married. However, they are also likely to agree that women make better business executives, that university education is important for daughters.
- Do wealthier, urban and more educated households hold more egalitarian and liberal attitudes?
 - No. Wealthier households are less likely to believe that women make good politicians and that cohabiting partners should be married. Urban residence and education are in general positively associated, however, results are not significant.
- Does a male bias against women exist in Mongolia?
 - Yes. Men hold on average less egalitarian and liberal attitudes towards women. In particular, they are less likely to agree that women are as able as men to serve as business executives and politicians.

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Conclusion

- Findings
 - Motherhood and childcare penalizes women's employment
 - The age and number of children are relevant factors
 - Children not attending kindergarten or school impose the heaviest burden on women
 - Attitudes and household decision-making is affected by parenthood
- Implications
 - Childcare needs to become more accessible
 - Legal system must mandate equal remuneration and non-discrimination based on gender in hiring process
 - However, providing women with employment opportunities alone will contribute to their empowerment only marginally
 - Broader social changes, including values and attitudes, are vital for achieving gender equality
- Work in progress
 - Given the data limitations, results are to be interpreted as correlations and not causal links
 - Extending the analyses from cross-section to panel design

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