

The gendered labor market impacts of trade liberalization: evidence from Brazil

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ABSTRACT of presentation held on 12 June 2014, Leeuwenborch, Wageningen

Over the past decades, most regions of the world have seen a strong convergence of male and female labor force participation rates. While there is a large literature on the labor market impacts of trade reforms, little is known about the gender-specific effects. This paper investigates the impact of Brazil's trade liberalization in the 1990s on labor force participation of men and women. To identify the causal effect of trade reforms we exploit spatial variation in pre-liberalization industry composition, which determines regions' exposure to tariff reductions. We find that tariff reductions contributed to a convergence of male and female labor force participation rates. Though regions more exposed to trade liberalization experienced faster reductions in labor force participation of men as well as women, the effects on men are significantly larger. The results are entirely driven by the low-skilled population, where we find that men and women move out of tradable sector employment into unemployment and inactivity, but the effects on men are much larger than on women. Interestingly, we do not find any significant gender differences in the impact on the high-skilled population. For high-skilled men as well as women, liberalization induced a shift in employment from the tradable to the non-tradable sector, without any net impacts on labor force participation.



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