

Protection for Whom? The Political Economy of Protective Labor Laws for Women

Matthias Doepke Hanno Foerster Anne Hannusch Michèle Tertilt



Women's Rights in the United States

- Starting in the mid-nineteenth century, major advances in women's economic and political rights.
- But not everything was progress: during first half of twentieth century, many legal restrictions on women's labor market opportunities were implemented.
- These were usually justified as “protective” legislation—**but was this their true purpose?**

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Aim: Understand political economy of protective labor legislation.

Types of Protective Laws

1. Maximum Hours Laws

- Appeared as early as 1847.
- By 1921, all but four states had passed such legislation.

2. Night Work Laws

- Between 1919 and 1925, about 40% of women workers in North Carolina were working night shifts.
- By 1928, one-third of the states had legislation prohibiting night work.

3. Minimum-Wage Laws

- 1912–1919: 14 states & D.C. passed min wage laws for women.
- By 1938, 26 states have passed minimum-wage laws.

4. Seating Laws

- Requirement that women have to be able to sit down while working.

5. Weight Laws

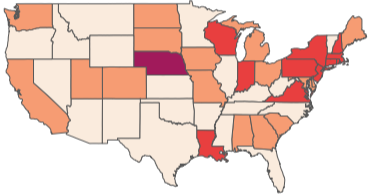
- Limit on how much weight women may lift at work.

Protective Labor Laws, 1880

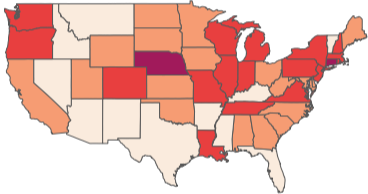


Protective Labor Laws, 1900-1930

(a) 1900

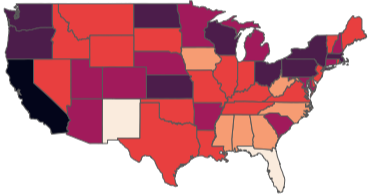


(b) 1910

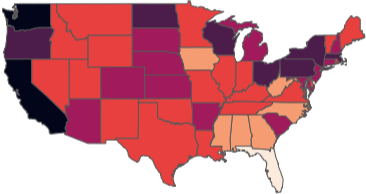


Protective Labor Laws, 1900-1930

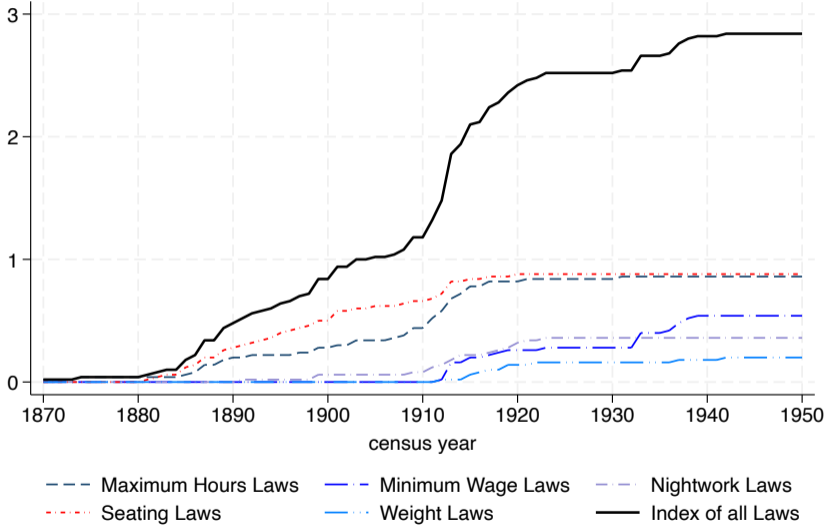
(a) 1920



(b) 1930



Spread of Protective Labor Laws



How Did Protective Labor Laws Disappear?

Era of protective legislation ended in the 1960s with a series of court decisions declaring the state laws to be unconstitutional.

- Title VII of the 1964 Civil Rights Act.
- Creation of the Equal Employment Opportunity Commission.
- 1968: *Rosenfeld v. Southern Pacific Company*: 9th Circuit Court; interpreted Title VII as ending state protective legislation.
- 1969: *Weeks v. Southern Bell Telephone & Telegraph Company*: Protective legislation case; Weeks lost case in 1967 but won in Appeals Court.

Labor Market Competition as a Driver of Political Change

Main Conclusion of Paper:

Concern about labor market competition from women drives much of the observed change.

How We Arrive at the Conclusion:

1. Use political economy model to spell out the mechanism.
2. Show that when matched to US data, model explains the rise on fall of protective labor legislation remarkably well.
3. Use new and comprehensive cross-state data to provide additional evidence on the mechanism versus potential alternatives.

Literature

- Empirical papers analyzing the effect of protective legislation on employment (Landes 1980, Goldin 1988, Haddad and Kattan 2023) and effect of removal on gender pay gap (Bailey, Helgerman, Stuart 2023).
- Evolution of other types of women's rights (Geddes and Lueck 2002, Doepke and Tertilt 2009, Fernandez 2014).
- Political economy of child labor laws (Doepke and Zilibotti 2005).

Outline

- Model
- Application to the United States
- Counterfactuals

1. Model

Model Setup: People

- Economy populated by singles and married couples.
- Men heterogeneous by skill: unskilled U or skilled S .
- Women heterogeneous by home productivity: $\psi \in \{\underline{\psi}, \bar{\psi}\}$.
- All single women have low home productivity.
- Numbers of each type:
 - Singles: $N_U, N_S, N_{\underline{\psi}}$
 - Couples: $N_{U\underline{\psi}}, N_{U\bar{\psi}}, N_{S\underline{\psi}}, N_{S\bar{\psi}}$.
 - Households die at mortality rate ρ , new households born at time-varying rates κ_{ht} (matched to data).

Model Setup: Production

Agriculture (rural area):

$$Y_a = X_{Fa}^\alpha X_{Ua}^\beta X_{Sa}^\gamma$$

where $\alpha + \beta + \gamma < 1$ (land is a fixed factor)

Modern sectors (urban area):

$$Y_b = AX_{Sb}^{1-\delta} (\xi\phi X_{Fb} + X_{Ub})^\delta,$$

$$Y_f = AX_{Sf}^{1-\delta} (\xi\phi X_{Ff})^\delta,$$

$$Y_u = AX_{Su}^{1-\delta} X_{Uu}^\delta.$$

$\phi < 1$ is the gender productivity gap in the modern sector.

$\xi \in \{\bar{\xi}, 1\}$ is a political choice of imposing additional constraints on women's productivity in the modern sector ($\bar{\xi} < 1$).

Model Setup: Production

Output of modern sectors combined by competitive industry to produce composite modern good Y_m :

$$Y_m = \left((1 - \theta_f - \theta_u) Y_b^{\frac{\eta-1}{\eta}} + \theta_f Y_f^{\frac{\eta-1}{\eta}} + \theta_u Y_u^{\frac{\eta-1}{\eta}} \right)^{\frac{\eta}{\eta-1}} .$$

Modern good trades at price p_m in terms of agricultural good.

Model Setup: Preferences

- People care about composite consumption good C and home production Q :

$$U(C, Q) = \ln(C) + Q.$$

- C is a composite of agricultural and modern goods:

$$C = \left(c_a^{\frac{\epsilon-1}{\epsilon}} + c_m^{\frac{\epsilon-1}{\epsilon}} \right)^{\frac{\epsilon}{\epsilon-1}}.$$

- C, Q public goods in marriage (hence spouses always agree on location, sector, and female work decision \rightarrow no bargaining needed).

Model Setup: Political Economy

Each period, policy is considered that reduces women's productivity in the modern sector by additional factor $\xi < 1$:

$$Y_b = AX_{Sb}^{1-\delta} (\xi\phi X_{Fb} + X_{Ub})^\delta,$$
$$Y_f = AX_{Sf}^{1-\delta} (\xi\phi X_{Ff})^\delta.$$

Decision is by majority vote, either among all adults or (before women's suffrage) only men.

Model Setup: Timing within Period

1. Households and firms form a (rational expectations) belief, ξ^* , about ξ .
2. Given ξ^* , households choose location (rural or urban) and female labor supply $d \in \{0, 1\}$.
3. Majority vote on women's labor rights $\rightarrow \xi$ is realized.
4. Given ξ : urban households choose sectors and firms choose inputs.
5. Given ξ : output, wages, and consumption are realized.

Dynamic Politico-Economic Equilibrium

Beliefs ξ_t^* , policies ξ_t , wages, labor allocations, and goods market allocations such that:

1. Given prices, firms maximize profits.
2. Given prices and beliefs, households maximize utility.
3. Labor markets clear.
4. Goods markets clear.
5. Policy $\xi \in \{\bar{\xi}, 1\}$ that is preferred by the majority of the voters is implemented.
6. Beliefs are rational: $\xi_t = \xi_t^*$.

Analytical Results

- Wages for each type of labor equalized across regions.
- High home productivity women don't work in the market and live (with their husbands) in urban areas.
- If both women and men supply gender in the mixed sector, urban sectors aggregate and behave as if there was a single urban production function:

$$Y_m = AX_{Sm}^{1-\delta}(\xi\phi X_{Fm} + X_{Um})^\delta.$$

- Imposing protective legislation reduces productivity in the modern sector and hence increases price of the modern good.

Equilibrium: Who Supports Restricting Women's Work?

- Unskilled men in modern sector support restrictions if they are single or if their own wife does not work.
 - These men compete with women in the labor market (while in the agricultural sector male and female inputs are complementary).
 - Even unskilled men in entirely male sectors benefit from restrictions, because labor is mobile across sectors.
- Even though restrictions do not affect agriculture directly, people in agriculture oppose restrictions because they lower the relative price of agricultural output.

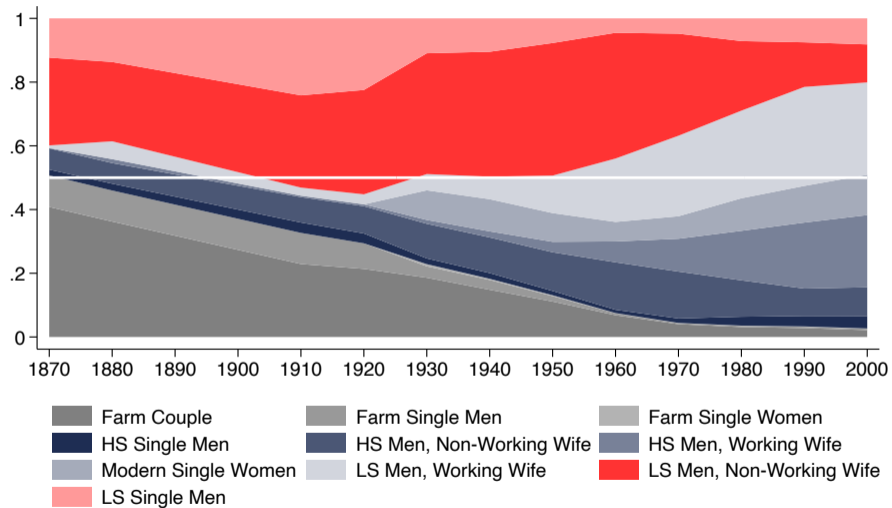
Equilibrium: Who Supports Restricting Women's Work?

- For restrictions
- Against restrictions

Women's Type:	Men's Type:				Single Women:
	Unskilled		Skilled		
	Agriculture	Modern	Agriculture	Modern	
Agriculture	Against		Against		Against
Modern		Against		Against	Against
Non-working		For		Against	
Single Men:	Against	For	Against	Against	

2. Model vs. US Data

Predicted Support Matches Introduction of Restrictions



State-Level Evidence in the United States

Collect comprehensive data on the implementation of protective labor laws across states between 1890–1940.

Use state ERAs as proxy for removal of protective laws.

Include variables that correspond to different potential channels behind the adoption of protective labor laws.

State-Level Evidence: Labor-Market Competition

- Regress indicator of laws' introduction on predicted vote share in favor.
- Larger predicted vote share \Rightarrow protective laws are introduced.

Dependent Variable	(1)	(2)	(3)	(4)
I. Any Law	1.13*** (0.15)	0.66*** (0.13)	3.04*** (0.31)	1.06*** (0.25)
II. Work Time Laws	1.50*** (0.14)	0.95*** (0.15)	3.11*** (0.29)	0.54** (0.27)
III. Work Condition Laws	1.07*** (0.18)	0.54*** (0.15)	2.98*** (0.25)	0.55** (0.25)
IV. Minimum Wage Laws	0.57*** (0.17)	0.32*** (0.12)	0.14 (0.32)	-1.49*** (0.34)
Time FE		X		X
State FE			X	X

Empirical Evidence: End of Protective Laws

- Use equal right amendments (ERAs) as proxy for the end of protective legislation
- Proxies: state ERAs and state ratification of national ERA
- **Smaller vote share in favor** \Rightarrow predicts support for ERAs

	State ERAs		Federal ERA Ratified		Federal ERA Ratified w/o rescission	
	(1)	(2)	(3)	(4)	(5)	(6)
Predicted Support	-0.77***	-0.73***	-1.19***	-0.92***	-1.09***	-0.94***
Time FE		X		X		X
State FE		X		X		X

Individual-Level Evidence: Attitudes towards Working Women

- Married low-skilled men are more likely to **object women working**, but not if they **have a working wife**.

A. NLSM: Support By Married Men (Ages 50-64) in 1971						
	(1)	(2)	(3)	(4)	(5)	(6)
Low-skilled	-0.236***	-0.255***	-0.347***	-0.332***	-0.342***	-0.327***
Wife works		0.191***	0.001	0.003	0.005	0.006
Low-skilled × Wife works			0.257**	0.248**	0.254**	0.245**
Industry & Location Controls				X		X
Family Controls					X	X
<i>N</i>	3,600	3,510	3,510	3,508	3,510	3,508
B. NLSW: Support By Married Women (Ages 31-45) in 1967						
	(1)	(2)	(3)	(4)	(5)	(6)
Low-skilled	-0.126***	-0.130***	-0.179***	-0.167***	-0.179***	-0.168***
Wife works		0.121***	0.041	0.037	0.045	0.042
Low-skilled × Wife works			0.117**	0.109*	0.118**	0.110*
Industry & Location Controls				X		X
Family Controls					X	X
<i>N</i>	4,057	4,057	4,057	3,871	4,057	3,871

3. Counterfactuals

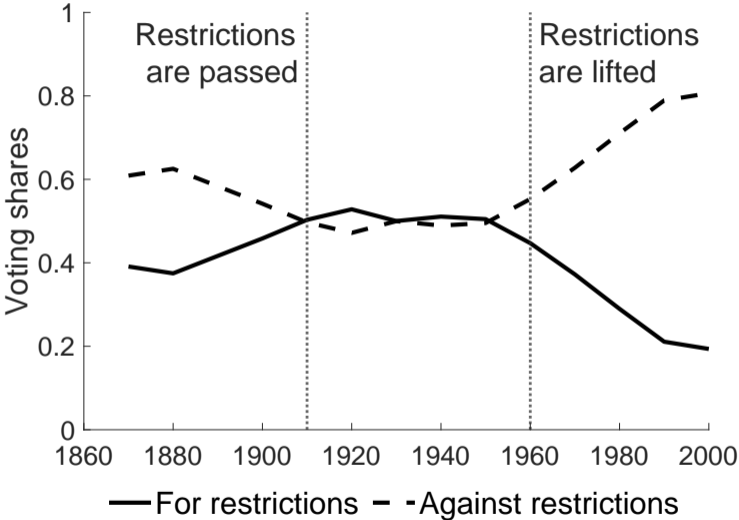
Matching the Model to the Data

Match group shares between model and data by:

- Setting modern-sector productivity A to match modern employment share.
- Choose composition of new cohorts (by single/married, skilled/unskilled, working wife/homemaker wife) to match data.
- Track voters for and against restrictions in each period; women are voters after 1920.

Use model to assess which forces mattered most in introduction & end of protective laws.

Voting Shares in the Model: Baseline



Counterfactuals: Which Forces Matter Most?

Use model to assess relative importance of different forces in driving political change.

- Female suffrage
- Structural change
- Increase in FLFP
- Male skill growth

Counterfactuals: Women's Suffrage

Figure: Suffrage in 1870

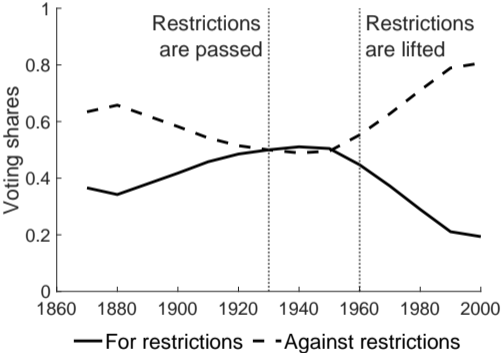
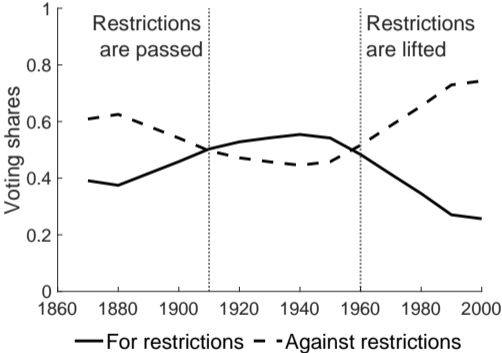
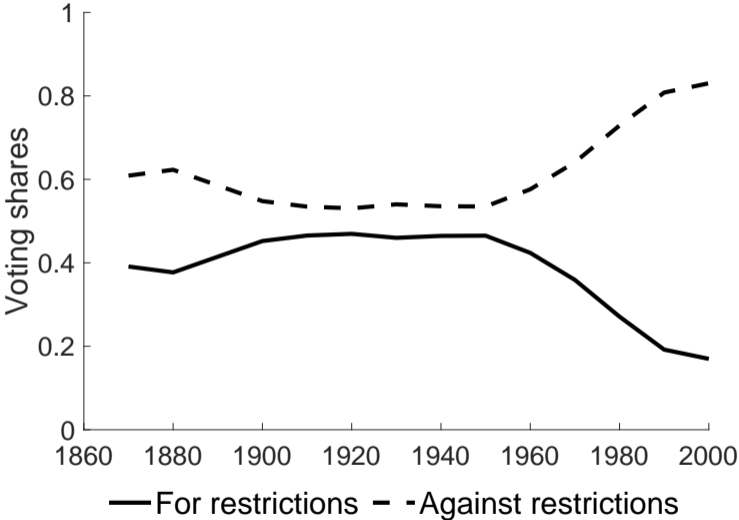


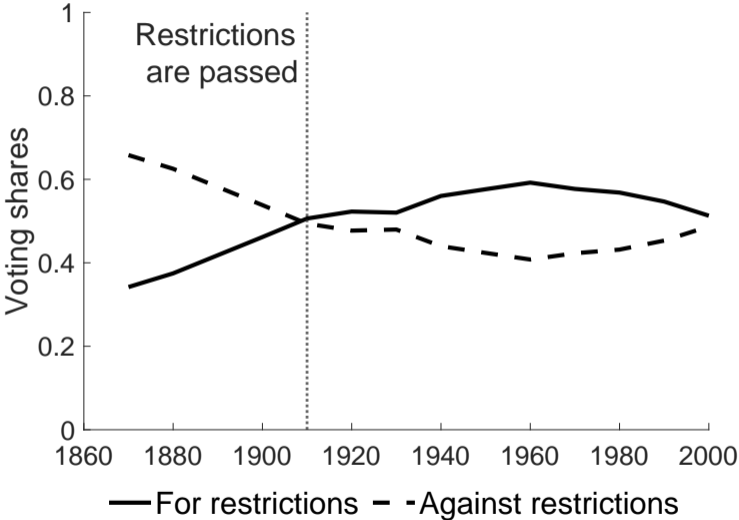
Figure: No suffrage



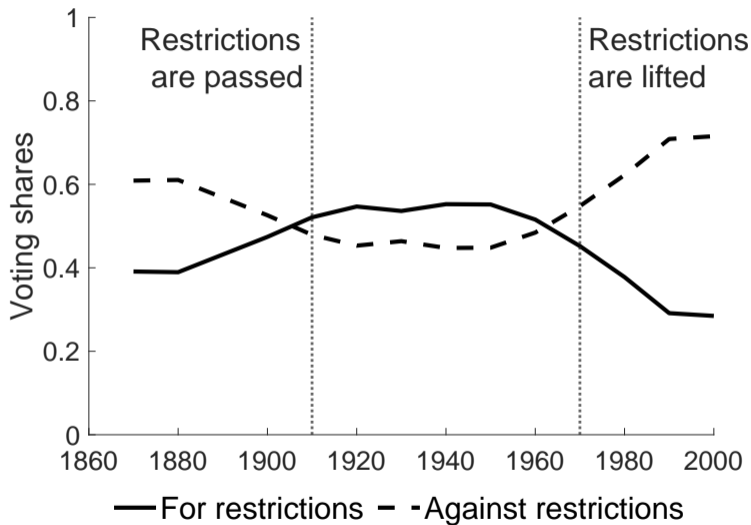
Counterfactual: No Structural Change



Counterfactual: No Increase in Modern Sector FLFP



Counterfactual: No Skill Growth



Summary: Which Forces Matter Most?

Importance of different forces in driving political change.

- Without **structural change**, restrictions would have never been implemented.
- **Female suffrage** played little role, except with earlier suffrage, restrictions would have been introduced later.
- Without the **rise in female LFP**, restrictions would have persisted much longer.
- Without **male skill growth**, restrictions would have lasted longer.
Quantitatively, women's rising LFP is more important than changing skills.

Alternative Hypotheses

Who else might gain from restricting women's work?

1. Women want to be protected at work.
→ Protective labor laws not strongly associated with suffrage.
2. Unions want to improve working conditions for everyone, easiest to start with the most vulnerable groups (children, women).
→ Protective labor laws not associated with measures of labor organization.
3. Children need mothers at home. Concerns about fertility.
→ Protective labor laws not associated with high fertility and mandatory schooling laws.

State-Level Evidence: Alternative Hypotheses

	Dependent Variable: Any Law					
	(1)	(2)	(3)	(4)	(5)	(6)
Predicted Support For Laws	1.11***	1.53***	1.52***	0.75**	0.87***	1.08***
I. Organized Labor						
Strikes	-0.01					
AFL Delegates per capita		0.01				
AFL Votes per capita			-0.01			
II. Concerns for Children						
% Children < 10				-0.38**		
Mandatory Schooling Laws					0.14	
III. Women's Suffrage						
Suffrage						0.03
State FE	X	X	X	X	X	X
Time FE	X	X	X	X	X	X

Conclusion

Laws restricting female work were introduced in the early twentieth century, and then disappeared in the 1960s.

Politico-economic model focusing on labor-market competition channel captures this pattern remarkably well.

- Main driver of introduction: structural change.

Unskilled men (and their non-working wives) moving from agriculture to the modern sector fearing competition from women.

- Main driver of removal: increase in the share of married working women.