

Stereotypical Occupational Segregation and Gender Inequality
An Experimental Study

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This paper attempts to distinguish "trust in cooperation" and "trust in ability" with respect to gender in an experimental trust game. "Trust in ability" with respect to gender is explored in the context of hands-on mechanical ability where females are stereotypically believed to be inefficient. Such stereotypes govern, directly or indirectly, women's access to education and employment, resulting in occupational segregation of the labour market. All this further intensifies gender inequality. We observed higher probability of exhibiting stereotype among men and women paired with other women, despite a statistically insignificant gender gap in actual mechanical performances. This indicates that "trust in ability" can be governed by such stereotypes and affect economic outcomes. We seek causes of the prevalence of gender stereotype in evolutionary psychology. We also describe the demotivating psychological process women suffered from, due to endorsement of such stereotypes by society.

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1 Introduction
The gender division of the labour market is a central feature of gender inequality, both in its economic aspects and in the social construction of gender identities (Huber 1991; Lorber 1994). Gender-based segregation of the modern industrial labour market can be seen as a result of discriminatory practices against women. These practices originate from endorsement of prejudices, social beliefs, and stereotypes about women's inability to perform certain tasks. Such "trust in (in)ability" governs, directly or indirectly, women's access to education and jobs. Informal reservation of some professions for a specific gender can be viewed in this context. For instance, fund managers, mechanical engineers and drivers are mainly perceived as men's fields whereas females are seen as best candidates as nurses, preschool instructors and elementary schoolteachers. Professional qualification or acquired skills often receive lesser weight in the recruitment process. However, widely divergent economic pay-offs and social values attached to these professions empower one of the genders unequally and give rise to occupational inequality and subsequently intensify gender inequality in economic and social contexts.

Thus, unscientific "trust in (in)ability" in the specific gender for certain tasks can be viewed as a source of discrimination. Eventually it gives rise to rigid social structures and becomes a long-term source of discrimination, besides setting in place a self-fulfilling mechanism. Initially, women face entry barriers in so-called masculine fields due to such misperceptions. The resultant incompetency is later cited as evidence to substantiate the stereotype and to further block entry. It transforms family-based patriarchal culture into an industrial-based patriarchal system. Unscientific trust in (in)ability restrains women's potentiality and lowers technological changes, the stock of human capital and economic efficiency.

The conservative attitude about women's ability in science and engineering fields (Demerouti 1991) and their career opportunities can be explored experimentally in the Indian context. The focus of this paper is confined to the "trust in mechanical ability" where women are stereotypically inefficient in hands-on mechanical tasks. Although the gender gap in the performances of mechanical task was not statistically significant, we observed that in a trust game, male and female trustees transferred lower amount to their female partners when pay-offs were the function of partners' mechanical performance.

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The paper is organised as follows: Section 2 summarises studies dealing with scientific and social views about women's mechanical ability. Section 2.1 discusses the research methodology of the experimental study utilised in this paper. Section 2.2 reviews contemporary research on experimental games for "trust". Section 3 discusses the design of the experiment conducted. Section 4 provides data and result analysis while Section 5 concludes the paper.

2 Women's Mechanical Ability and Stereotypes

Women in modern society may not experience traditional gender discriminating practices like prescription of women from education and the labour market, but they are not free from discrimination. The practices take different forms. One such form is the prevalence of the stereotype that women are relatively inefficient in science and engineering subjects and particularly in carrying out hands-on mechanical tasks.

The power of this stereotype is demonstrated by students' sex composition in sex, voc (1999) report shows that in India, the female enrolment was less than 1% of the total enrolment till the 1950s; it rose to 8.9% by the mid-1950s. It grew further but was still relatively low at 16.2% in 1999-2000. Parikh and Sukhatme (2002) reported that mechanical engineering was the least favoured discipline among females. Only 9.3% of female engineering students' chose this branch during 1994-98. According to voc (2008), women's enrolment ratio in all graduate-level engineering branches (5.8%) was almost half of that of men (10.3%) during 2004-05. Other developing and advanced countries are no exception to this. Correll (2000) and Armut et al (1998) separately provided sociological evidence for the existence of a social norm prescribing math and science as men's domains in the us and in Britain. The strength of the stereotype can be best judged by the fact that the us government passed the Science and Engineering Equal Opportunity Act (1980) to emphasise gender-wise equal opportunities in education, training and employment in sex.

A lower female to male ratio in sex can be mainly attributed to the misinterpretation of sex differences in cognitive abilities, the wrong belief that aptitude for sex is a masculine trait and that women are inferior at the same. Gendered institutional policies and practices, different priorities of males and females pertaining to personal and family life and a combination of these factors may have evolved around this misinterpretation.

As argued by Mordale (1978) and Shields (1975), the origin of research on gender differences lies in traditional concerns either to support or to refute assumptions and expectations about appropriate social roles for men and women. Justifications for the subordinate social position assigned to women were earlier sought in religious doctrines, which started losing their credibility over a period of time. Thereafter, a "scientific" approach was adopted through the study of brain anatomy to defend women's confinement to the role of mothers and wives. Any difference in anatomy of the two sexes is generally comprehended to be immutable and unalterable. Therefore, providing a "biological basis" for assignment of a particular

social role to each sex could have been an attempt to yield long-lasting credibility for these social roles.

Although sophisticated techniques of investigating brains have shown marked "sex differences" between male and female brains, it is still unclear what those differences may mean in practical terms (Rogoff 2003). Intelligence tests show negligible differences between men and women (Ripley 2003). Although, most studies agree that men's brains are about 10% bigger than women's (after adjusting for their height), it has been proved that size does not predict intellectual performance (Giedd 2006). (In fact, similar performance in iq tests by women despite having 9% smaller brain size should be regarded as more productive than men's) Hanlon et al (1999) found differences in parts of boys' or girls' brains that mature first: for boys, mechanical and spatial reasoning develops four to eight years earlier, while girls' verbal and facial recognition skills mature much faster. However, negligible differences in intelligence tests in fully mature brains suggest that the developmental path may not matter. Given this fundamental difference in the development process of the brain in both the sexes, rudimentary comparison in performance of both genders in science subjects in same class in schools may be misleading.

Caplan and Caplan (1997) argued that much research on gender differences in cognition has been poorly conceived and executed, and its findings have been quite irreproachably interpreted in order to confine women to their roles. They critically reviewed the research on gender difference by shedding light on conceptual and methodological issues in defining mathematical, spatial and verbal abilities, emphasis on construction of "unbiased" tests for their measurement, magnitude of observed sex-related differences and critical generalisation of the results. Rogoff (2003) argued that the very prevalence of so many inconclusive studies on sex differences in brains implies that what truly appears to be holding women back is not some innate disadvantage, but the belief that they are intrinsically less gifted in sex. Such a stereotype acts like a deterrent in the progress of the stereotype group.

Schmader (2006) showed how contextual factors, such as existence of stereotypes, can discourage stigmatised groups from pursuing sex education and careers. Prevalence and awareness of gender stereotype add to concerns of the stereotyped groups that their performance will be judged against the stereotype and it affects their performance negatively (Stoel and Aronson 1993). Stigmatised groups interpret regular hearing difficulties as proof of the claimed inability rather than natural parts of the educational process. Further, women tend to incorporate negative feedback more than men (Thani-Ann and Nolen-Hoeksema 1986). Women may therefore fall into "confidence traps" from which they do not recover easily (Dweck 2000).

Negative feedbacks and confidence traps are often accompanied by society's low expectation from stereotyped groups; as a result, women may lack encouragement to overcome these difficulties. Teachers' expectancy effects are one route that improves stereotype consciousness among children (Woolf and Spencer 1996). Differential teacher treatment and suspicion of

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negative evolution of performances would affect girls' performance in school, and would strengthen the stereotype among peers as well as among girls. McKeown and Weinstein (2003) argued that perceived personal efficacy influences their choices, efforts mobilised in a given endeavour, persistence in the face of difficulties, the amount of anxiety and stress experienced while coping with threatening environments, their vulnerability to depression, and their resilience to adversity.
A growing research body shows a negligible gender gap in sex performances, controlling for various demographic variables. Chen et al (2006) examined the relative performance of female mechanical engineering students of various classes and observed that the female students performed better, by all measures, than the males in all but one class where they performed equally well. They provide plausible explanations for this gender-symmetric result as better pre-college preparation for engineering; a higher female enrolment ratio provides a nurturing environment for female students to excel at studies and strengthens their self-confidence in skills and ability that boost academic performance. The Bennett Mechanical Comprehension Test (bmct), designed to measure a candidate's ability to perceive and understand the relationship of physical forces and mechanical elements in practical situations, also did not reflect any substantial gender difference. Controlling for education, work experience, leisure factors and gender explained only 2% of the additional variance (Fortson 1993).
Hyde (2005) synthesised results of numerous studies on gender differences in mathematics performance in her meta-analysis and proposed the "gender similarities" hypothesis. She concluded that psychologically, women and men are more similar than they are different. The study spanned a wide range of psychological characteristics, including abilities, communication, aggression, leadership, personality and self-esteem.
Bandura (1986), Beall and Sternberg (1993) and Epstein (1997) argued that although some sex differences are biologically founded, most of the stereotypic attributes and roles linked to gender arise more from cultural design than from biological endowment. Innate "sex differences" are transalloyed into "gender differences" and they are acquired through social interactions. Gender has been defined as an institutionalised system of social practices or of constituting people as two significantly different categories: men and women, and organising social relations of inequality on the basis of that difference (Perreé, Lorber and Hess 1999; Lorber 1994; Nakano Glenn 1999; Ridgeway 1997; Ridgeway and Smith-Lovin 1999; Ritman 1998). It may also be observed historically that sociocultural organisations and the institutional framework have been shaped by rigid and self-sustaining stereotypic considerations of the (in)ability of women. The following example could be representative. D K Karve, the founder of the first women's university in India, was inspired by the ideology guiding Japanese universities for women that assumed women's proper role was only as "wives" and "mothers". In his autobiography, Karve has approvingly quoted the following from the information brochure of a Japanese university (1939: 479):
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We cannot support another movement which aims at the so-called emancipation of women. In opposition to this tendency, we lay emphasis on the home life as the chief sphere of women's activities. Here her proper place is found as wife and mother, not indeed as a tool or ornament, but as an active partner in the household and national life which should animate home. Our aim is to educate women that they shall come to realise their own special mission in life as free personal agents and as members of the empire of Japan and that, as such they shall be able to perform their services as wives and mothers in a larger sense and more efficient manner than hitherto.

Influenced by the ideology that teaching so-called masculine subjects to females would reduce their racial functionality, Karve included home science, health science and sociology as compulsory subjects in the university's curriculum, while mathematics and science were kept optional (1929: 587). Botany, zoology, biology, psychology and child-psychology, singing and painting were the other available subjects (ibid., 590). There seems to be no significant change in these perceptions about women's ability in say cutting across countries and time. In 2006, the former president of Harvard University, Larry Summers also claimed that men have superior innate ability in math-related fields. (He was forced to resign after his public endorsement of this view caused a furore.) Preoccupancy of leaders of prime educational institutions with such stereotypes endows successive generations with a gender bias, distorting human capital and economic efficiency. This emphasises gender-neutral socialisation for eradication of gender inequality, first from the social mind and then from socio-economic institutions and more importantly impartial scientific approach towards gender-related research to deter the formation of any stereotype.

2.1 Methodology of Experimental Economics
Endorsement of such stereotype by a sample can be better investigated by conducting an economic experiment making the relevant context salient. As Nobel Laureate Vernon Smith (2006) describes it, laboratory experiments are methods of inquiry to study the motivated human interactive behaviour in a social context governed by explicit and implicit rules. Explicit rules include move sequences, pay-off structure and other rules pertaining to games and are controlled by the experimenter. Implicit rules are the norms, social beliefs, perceptions (here stereotypes, if any) that subjects bring to the laboratory and are not controllable and observable. An experimental set-up is created with the help of explicit rules to capture, otherwise unobservable, implicit rules. This research methodology is now fairly accepted in economics, mainly because these implicit social rules are exhibited by cash-motivated participants. It is posited that people refrain from exhibiting idealistic views when sizeable monetary gains are on stake. The protocol of strict anonymity between experimenter and participants and within-participants eliminates participants' fear of being scrutinised and moral pressure (on them) to hide real preferences.
For this study, the trust experiment has been altered to behaviourally differentiate the trust extended towards women in baseline treatment and in treatment where the stereotype

was made salient. So it is pertinent to briefly review the experimental literature on trust games.

2.2 Literature Review of Trust Experiments

Formal government structures or a market economy cannot de-escalate ubiquitous informal bargaining institutions. Social beliefs, prejudices and stereotypes influence trust and trustworthiness, which are fundamental to these informal institutions. Trust is willingness to permit others' decisions to influence one's welfare. In the act of trusting, the individual (the trustor) puts herself in a vulnerable position in the hope of gaining benefits from the trustee in return, although the trustee has a greater incentive to exploit her vulnerability. A trust-based transaction can materialise only if the trustor knows that the trustee will not exploit her vulnerability and will cooperate with her by reciprocating the trusting behaviour. So "trust is (trustee's) cooperation" is the core element.
Berg et al (1995) designed a trust game to capture this trait. In the standard trust game, players are randomly paired and are endowed with sufficiently high endowment ($e > 0$). Player 1 (trustor) is given an option of sending x , part of e to the anonymous player 2 (trustee), where $0 \leq x \leq e$. The experimenter multiplies x by an integer $k > 1$ and then transfers kx to the trustee. Then, the trustee decides to return any amount (y) to the trustor where $0 \leq y \leq kx + k^2x$.
Thus monetary pay-offs of trustor (U) and trustee (V) are as follows:

$$U_i = e - x_i + y_i$$
$$V_i = e + (k \times x_i) - y_i$$

In this sequential game, with complete information and common knowledge of rationality under anonymity, the trustor predicts that the trustee, in order to maximise, y_i would choose y_i close to zero. Thus, she would choose x_i closer to zero in the first stage. Thus, by backward induction the dominant strategy is to send nothing and receive nothing. However, the pair foregoes a joint gain of $k \times e$, which could be generated if the trustors sends out of an expectation of reciprocity. Here, x_i is a measure of trust exhibited by trustors while y_i is the degree of the trustee's trustworthiness.

Experimental evidence however deviated from this dominant strategy equilibrium. Berg et al (1995) found that about 90% of trustors sent around 50% of endowment and an average amount returned by trustees stood at 46% of the total. More than 15% of subjects returned more than the amount received by the trustor, i.e., shared the surplus. The systematic presence of trust and trustworthiness has been found in various studies (Cox 2003, 2004; Clesser et al 2009; Herr 2003).

"Trust in cooperation" is sensitive to various social contexts, the interactive environment featured by communication, opportunity to reciprocate and punishment, pattern of interactions (one-shot vs repeated), individuals' orientations, past experience, societal relations, institutional incentive structure, etc. Various demographic parameters like culture, in-group identity (Tyler and Dawes 1993; De Cremer et al 1999), ethnicity (Zak and Knack 1998) and experimental procedures such as group size (Kiori Sato 1988), and pre-experiment

communication (Buchan et al 2002) can explain the variation in trust exhibited in experimental studies. We focus on research dealing with trusting behaviour with respect to the gender of the players.

Most studies observed that men exhibit more trust than women. Buchan et al (2004) found that men transferred 74% of endowment to trustees compared to 61% by women. In the study conducted by Cox (2002), this ratio stood at 64% for men and 55% for women. Buchan et al (2004) showed that women were more sensitive to the trustee's gender. Women also sent less to female trustees (58%) than to male trustees (67%).

The experimental literature on trust also argues that trust is likely to be confounded by unconditional other-regarding motives, mainly by altruism and inequality aversion (Cox 2004). The latter will be activated when the experimental design distributes property entitlements/endowments randomly, leading to unequal pay-offs for participants. (This concern has been checked by equal distribution of endowments to all participants.) Similarly, altruism may motivate trustors to transfer positively without expecting reciprocal behaviour by the partner, i.e., even in the absence of trust. Cox (2004) decomposed transfer made in a trust game in altruism and expectation of reciprocity (trust) by using a triadic design of a dictator and trust game. He found a statistically significant difference in average transfers made in a dictator game and those in a trust game, implying altruism and trust are two different preferences and altruism can play a role in trusting behaviour.

As in the case of trust, altruist behaviour is also sensitive to a partner's gender information; however, studies are inconclusive. Women, on average, donate twice as much as men to their anonymous partners (Eidel and Grossman 1998). Andreoni and Vesterlund (2001) experimentally showed that when altruism is expensive, women are kinder, but when it is cheap, men are more altruistic. They also commented that men are more likely to be either perfectly selfish or perfectly selfless, whereas women tend to be "egalitarian". Parallel to Buchan et al's (2004) results in a trust game, Ben-Ner, Kong and Putterman (2004) found that women incorporated gender information more in their decision rules and gave systematically less to other women than to men and persons of unknown gender. On the other hand, Dufwenberg and Muren (2004) found no significant differences between male and female giving when a partner's gender information was made available.

For this study, the experiment was designed to first differentiate trust from altruism and then to compare trusting behaviour towards women in a trust game and in a game where the performance of females in a mechanical task determines the trustor's pay-off. To the best of our knowledge, this is one of the few attempts to explain under-representation of females in sex through experiments.

3 Design of the Experiment

The experiment consisted of two rounds of a dictator game and two rounds of a trust game.

(i) Standard Dictator Game (Dt): Player 1 transfers x amount to the unknown Player 2; where $0 \leq x \leq e$.

Information on their demographic profile was collected. It was followed by a questionnaire on gender-mingling of participants. Gender-mixing since childhood was expected to have influence on awareness and endorsement of a gender stereotype. Children are hypothesised to be explaining others' behaviour towards a stigmatised group in terms of broadly held stereotypes only after the age of 10 years (McKown and Weinstein 2003). So data on participants' type of secondary school (5th-10th standard, and whether coed, single-sex or both partially) was obtained. Similarly, data of female siblings and number of female friends in their five closest friends circle was collected. Educational and occupational information about siblings and friends was asked to disguise the purpose of the study. The whole exercise, including payment, took approximately

In our experimental design, we replaced constant k in the standard trust game by a varying k to maintain symmetry in the surplus generation method between τ_1 and τ_2 . In τ_1 , transfer was also a function of the trustor's expectation about his/her partner's reciprocation, while in the following treatment, risk of poor reciprocation was eliminated by placing a rule of equal division of the multiplied amount. This surplus sharing method ensured that trustor would react to the fact that k is a function of trustee's mechanical performance in τ_2 .

4 Analysis and Results

Experimental Data

Experimental design

A total of 126 postgraduate students from Pune and Mumbai participated in the experimental sessions during the month of October to October 2012. The average age of the sample was 23 years. Of this, 38% of the sample had annual family income ranging between Rs 1 lakh and Rs 1 lakh and 36% had a family income above Rs 1 lakh. Around 17% of the sample belongs to the income group between Rs 50,000 and Rs 1 lakh and the balance 8% had family income below Rs 50,000. Out of 78 females and 48 males, 68% and 62% were first- and second-year bsc students of the science faculty. The sample comprised 68 females¹ and 58 males. A total of 42 males and 35 females played the role of dictator and trustee in respective games. A total of 45 males and 32 females played the role of recipient or trustee. Participants in each session belonged to the same class and thus were not strangers in a strict sense. Based on the results of a pre-test, the risk aversion rate of the trustee was categorised as risk neutral, 30% as risk averse and remaining 85% as risk lover.

Descriptive Statistics

Descriptive Statistics
Figure A (Appendix, p 120) shows a positively skewed distribution of transfers in all four treatments. The averages of D_1 and D_2 , as presented in Table 1 (p 117), are lower than the corresponding

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Since the OLS estimators, in the absence of sample selection bias, are efficient, the statistically insignificant coefficient of "risk pay-off before transfer in T1" (-0.02, $p=0.8429$) shows

Table 2: Heckman Estimation and Tobit Model for Transfers in T1 & T2¹¹[illegible]

Gender = 1 for female; 0 otherwise, Coed schooling = 1 for single sex, = 2 for

attendance of single & co-ed school partially; 3= co-ed schooling. Class = 1 for undergraduate; 2= postgraduation; 3= PhD Scholars. Order effect = 1 for 2t1; 0

*censored observations = 19; observed observations = 58

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37 free parameters (df = 41)
Adjusted R-Squared: 0.5106

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Inverse Mills Ratio = 50.8549 (0.0716)
 $\sigma_{\text{error}} = 57.5543$ $\sigma_{\text{u}} = 0.9836$

$$^{\dagger} \log \text{Sigma} = 4.11896 (< 2e-16^{***})$$

Log-likelihood: -320.2466 on 18 Df

^a Censored observations =10; observed observations =62

Adjusted R-Squared: 0.606

Adjusted R-Squared: 0.606;
Inverse Mills Ratio = 69.795 ($p=0.103$)
csmc = 61.456, dsm = 1.084

 $\log\sigma: 4.25379 (p < 2e-16 ***)$

Newton-Raphson maximisation, 10 iterations
Log-likelihood: -366.011 on 17 Df

Left-censored observations: 10 Uncensored observations: 62
Right-censored observations: 5

(P values in parenthesis are significant at: **** 0.0001 *** 0.01 ** 0.05 * 0.1)

Source: Authors' experimental data.

- [illegible]

