

Sex and the City 7

Project

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Anecdotal evidence

- Fields experiment: Hiring process in AMSE
 - Marseille: too small.
- Medical desert
 - Several reasons but no job for the educated spouse
 - There are no more « Emma Bovary »
 - Two prerequisites are no more verified:
 - Emma did not go to the university and she was idle/inactive.

The story

- Involves changing features at 3 levels likely to be partially dependent
- Individual
- Household
- Urban/geographical
- A self-reinforcing mechanism

INDIVIDUAL LEVEL

- Schooling revolution : Girls are more educated than boys
- Job market revolution: participation of women to job market. (Doepke et al., 2015).
- The role of women in high-skilled jobs is increasing rapidly

HOUSEHOLD LEVEL

- More positive assortative mating (Greenwood et al (2014)).
- Risk of divorce is increasing.
- Promotion of Equal Opportunity between partners
- Both partners are not willing to compromise about his/her own career,
- Income pooling is not sufficient. It does not protect on the long run.

CITY LEVEL

- The proportion of skilled jobs is increasing with the size of the city
- Corner decisions = choosing to live in the biggest cities because they offer the greatest potential to equalize the partner career opportunity
- More equality of opportunity within couple means more concentration of elite couples in big cities

Consequences

- More equality at the household level means more spatial inequality
- A good ethical evolution at the micro level can reinforce spatial polarization.
- Harmful in terms
 - Non-inclusive growth at the spatial level
 - Political polarization between small cities which look inwards and big cities which look outwards (Divided country like the US or France)
 - Congestion ?

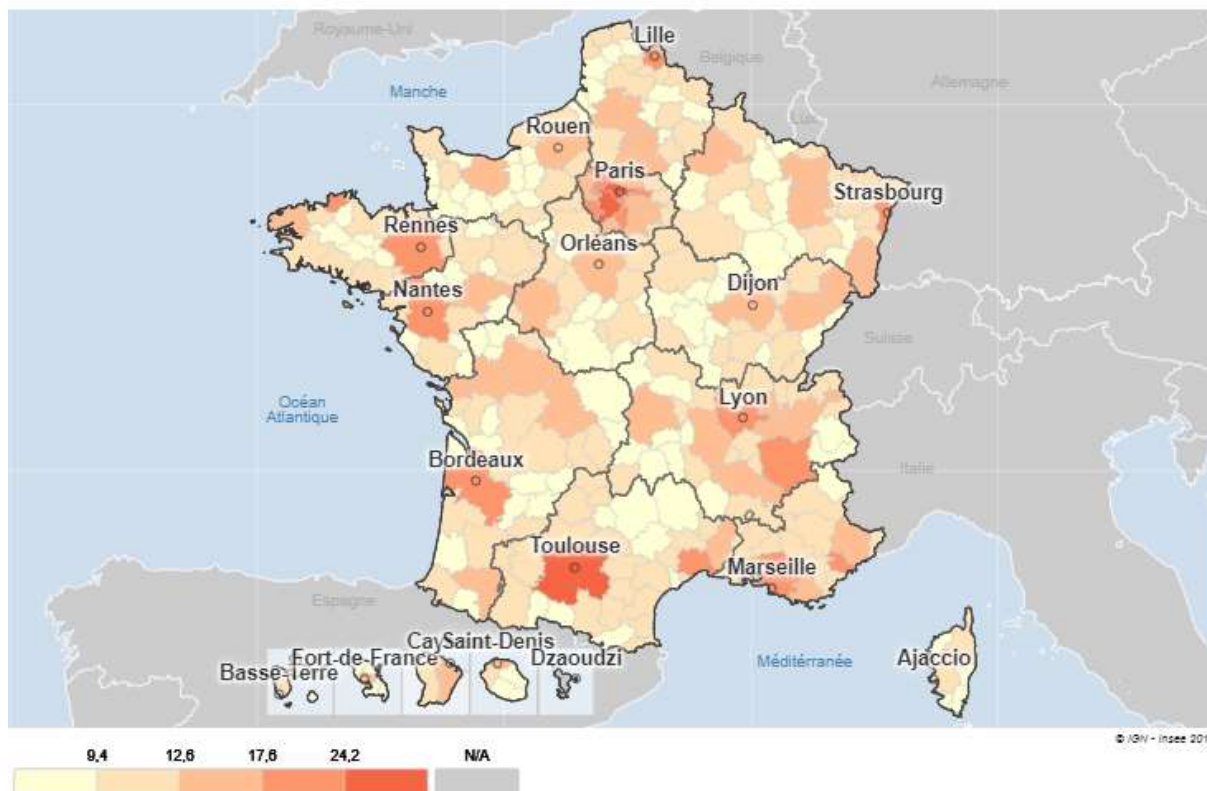
Outline

- Some empirical facts
- Theoretical framework
 - Unions are formed at the outset
 - The distribution of cities and city job markets are given
- Caveat

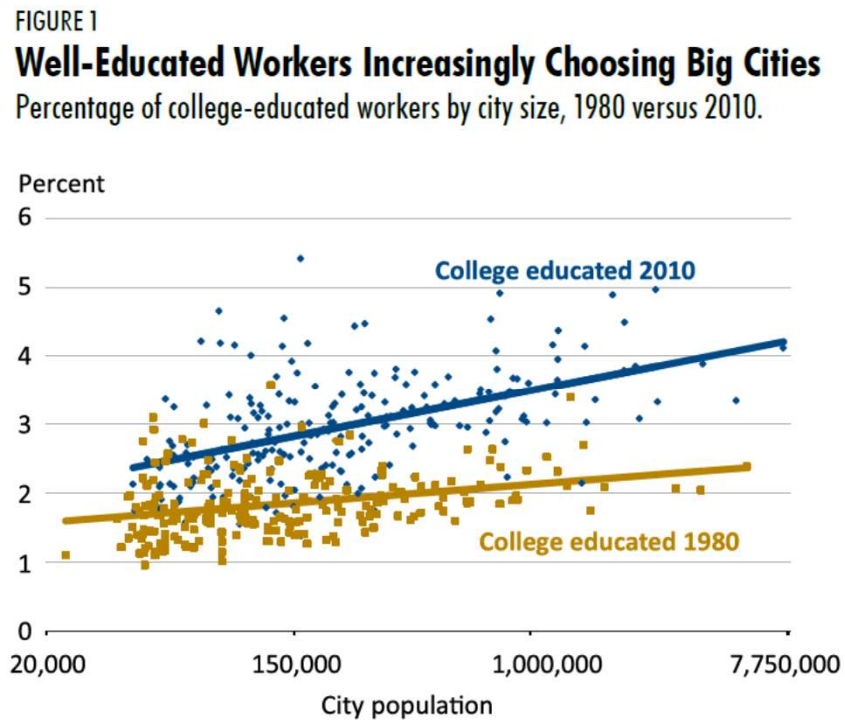
1. Some piece of evidence

Comparison of the size of the executive-job markets Paris & Saclay 35%, Aix 24%, Toulouse 24% Lyon 22%

Part des cadres et professions intellectuelles supérieures dans le nombre d'emplois au lieu de travail, 2014 (%) - Source : Insee, Recensement de la population (RP), exploitation complémentaire



Dynamics: US (source Brinkman Fed Philly 2015)

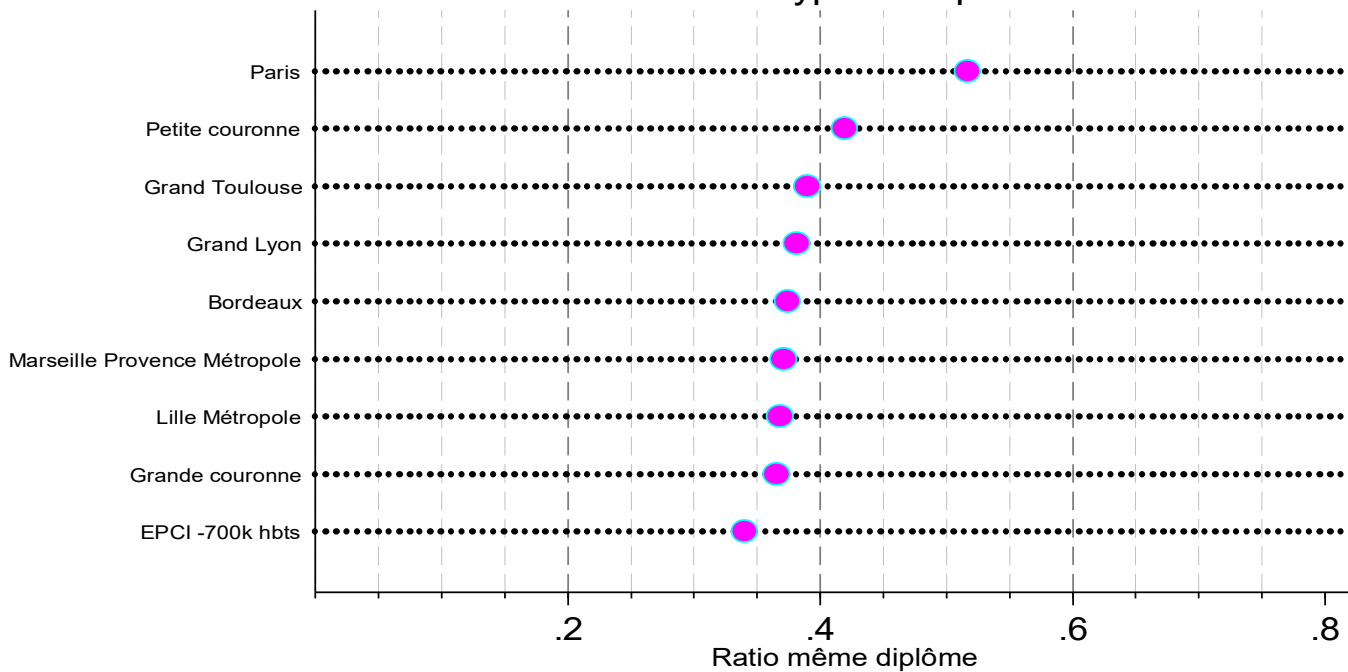


Source: IPUMS-USA, University of Minnesota, www.ipums.org.

Note: Log scale along with least-squared fitted lines.

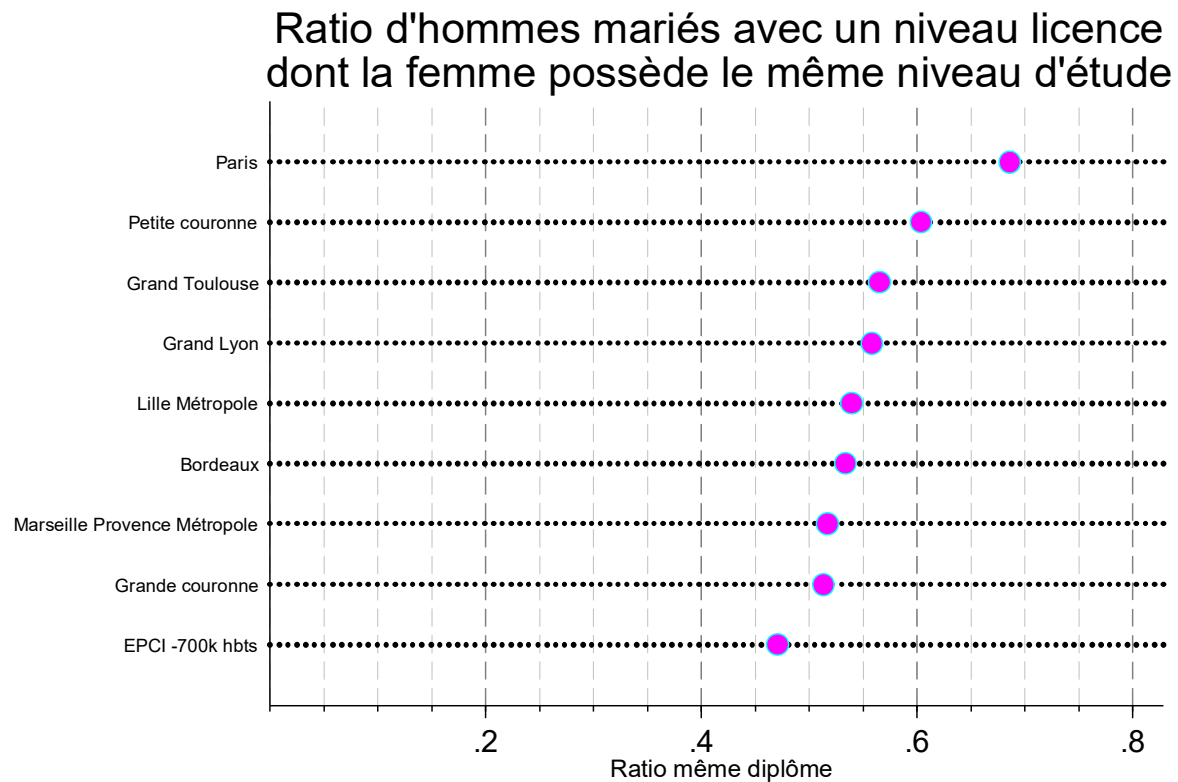
Assortative mating more pronounced in Paris

Ratio d'hommes mariés avec
une femme ayant le même niveau d'étude
Pour tout type de diplôme



Source : Fichiers détaillés du recensement de la population en 2012, INSEE

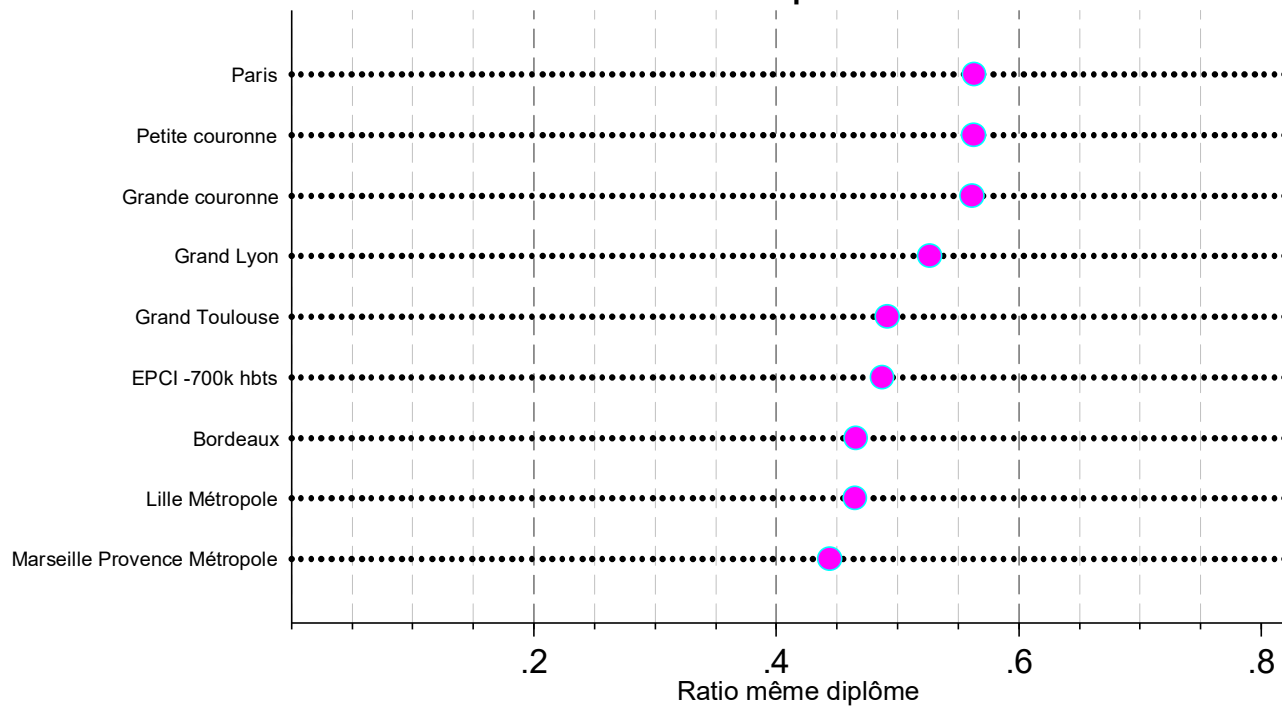
Assortative mating between tertiary educated: a gradient with city size



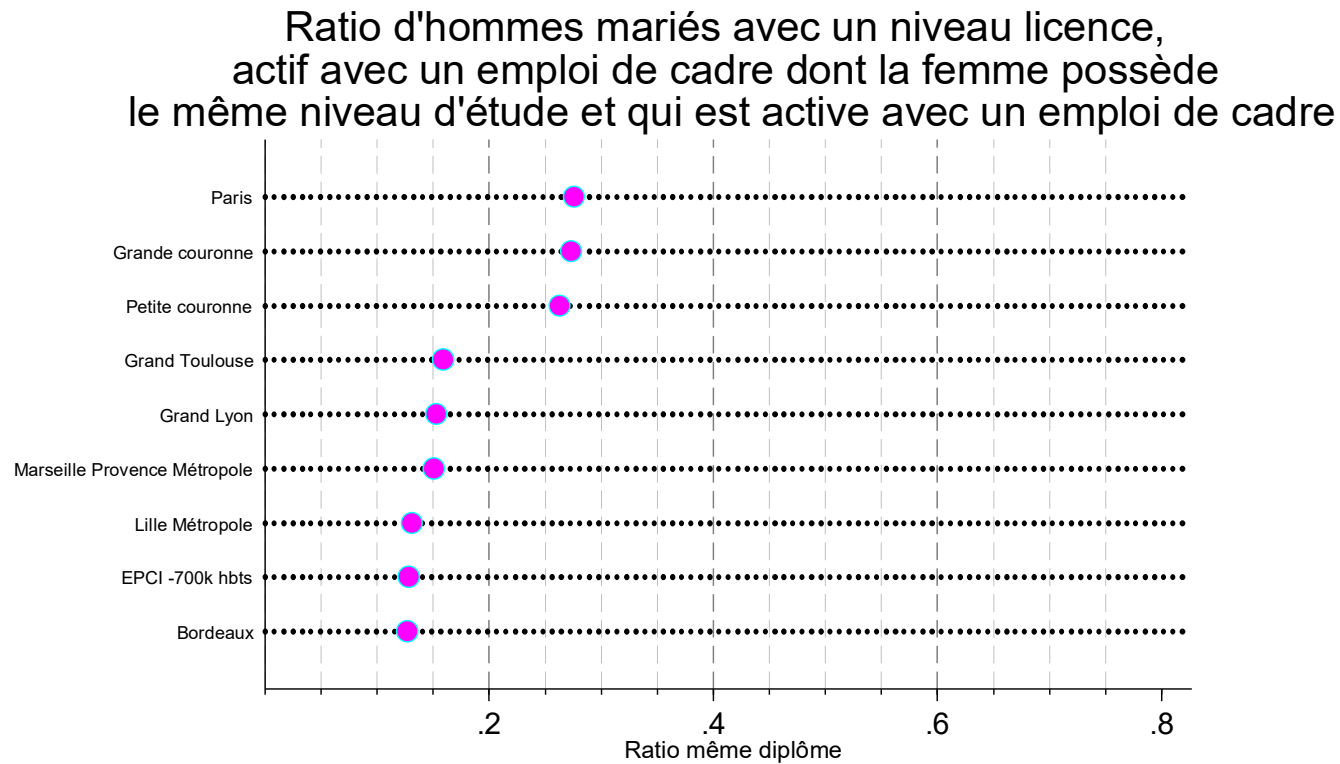
Source : Fichiers détails du recensement de la population en 2012 INSEE

Assortative jobs between tertiary educated: a gradient with city size

Ratio d'hommes mariés avec un niveau licence, actif avec un emploi dont la femme possède le même niveau d'étude et qui est active avec un emploi



Assortative jobs between skilled jobs: Paris vs Province



Source : Fichiers détails du recensement de la population en 2012, INSEE.

2.Theoretical Framework

Quite an old subject

- Jacob Mincer (1975) *“Family Migration Decisions*
- Ties represent negative "personal" externalities which are usually, but not always, internalized by the family.
- Tied-stayers—i.e., workers who turn down a job offer in a different location that they would accept as single
- Tied-movers—i.e., workers who accept a job offer in the location of the partner that they would turn down as single.
- Ties tend to deter migration, to reduce the employment and earnings of migrating wives, and to increase the employment and earnings of their husbands.
- The growth of labor market attachment of women creates a decrease of tied-movers.
- Growing marital instability stimulates migration and reinforces the upward trends in women's labor force participation.

Literature

- Job search couple between couples: Burdett and Mortensen (1977), in their seminal piece entitled “Labor Supply Under Uncertainty,” lay out a two-person search model
- Perfect income pooling
- The couple can receive job offers from multiple locations, but faces a utility cost of living apart.
- New frictions relative to single-agent search
 - Guven, Guvenen and Violente (2009)
- Gemici, (2009), estimates a rich structural model of migration and labor market decisions of couples to assess the implications of joint location

Main features

- A couple will move iff both partners are willing to move
 - Albrecht Anderson & Vroman (2010) study a joint-search by a committee votes
 - Unanimity is optimal if committee members are sufficiently patient
 - Unanimity rule to move
- If p is the proba to have a successful match, then the proba of a move for a couple (two iid successful matches) is p^2
- Kaplan, Schulhofer-Wolf (2017) : « Understanding the long-term pattern of migration decline »
- The probability to receive an offer in large metropolis is higher for executive jobs (geographical pattern)
 - Both for urban and geographical economics argument.
 - Clustering effects important in processing information and creativity
 - Physical Productive activities are repelled out big cities because land price

Caveat

- Implicit assumption: partners work in different sectors
- Increasing number of couples whose partners work in the same sector
 - They date on the job instead of dating at school/university, through networks or leisure activities.
- Assortative mating not only in terms of school achievement but also in terms of occupations

Mitigation effect?

- Joint search on the demand and supply side.
- Can it mitigate the concentration of elite in the biggest cities?
- Will it be possible to have a macro impact?

Counterfactual: Homosexual skilled-job couple

- According to the theory: should have been always concentrated in big cities
- Controlling for discrimination, the geographical pattern of elite heterosexual couple should converge to homosexual ones.