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Outsourcing Domestic Work and Female Labor Force Participation in Shanghai

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Since the founding of the People's Republic of China, the socialist state had long advocated gender egalitarianism and women's participation in economic production in the public sphere, which necessarily created the tension between their reproductive roles in family and marriage, as Chinese women continued to be bound by the traditional gender roles and norms which have far from being altered by the socialist ideology. The conflict between women's productive and reproductive responsibilities, to some extent, had been alleviated by the work unit (danwei) welfare system in pre-reform era, through the provision of childcare, social service, and other family-support programs. Since the economic reform, the fundamental restructuring of the state-owned enterprises was transformed to be more efficient and profit-driven entities in the mid-1990s, leaving the reproductive responsibilities used to be shouldered by the danwei back to private family, escalating the work-family conflicts, especially for women with children. As a result, one the one hand, despite the progress in education that women have achieved, a declining rate of women's labor force participation and widening gender gap in earnings has been suggested. On the other hand, outsourcing domestic tasks become increasingly popular in certain Chinese cities among middle class women who do not wish to give up their career.

In this paper, we analyze the recently available data from the Shanghai Urban Neighborhood Survey (SUNS) to investigate the hiring of domestic helper its impact on married women's labor force participation in Shanghai. The SUNS is a city-wide representative household panel survey, and the benchmark survey was completed in July, 2017, including 5102 households from 180 neighborhood, with all members being interviewed. In the end, 8631 adults (aged 15 or above) and 1892 children (under age 15) have completed interviews. There is a substantial gap in the labor force participation between men and women of prime working age, and about7.41 households hire domestic helper. We show how hiring a domestic helper would increase married women's working hours, while reducing their housework hours. To estimate the consequence of changing labor supply of women, we estimate Heckman selection models. We compare the results with foreign domestic helpers in Hong Kong from a similar study, "Hong Kong Panel Study of Social Dynamics" (HKPSSD).