Is it who you are, where you work, or with whom you work that matter for earnings? Gender and peer effects among late nineteenth-century industrial workers

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Does working with more productive peers increase one's own productivity? And if so, do such peer effects lead to spillover effects in wages? Recent studies have shown the importance of co-workers for productivity in the contemporary labor market. In this paper we assess the impact of the work environment on men's and women's productivity and earnings in the past. We exploit a matched employer-employee data set with information on men and women holding the same jobs; such information is rare but important.

While most studies of wages have focused on the characteristics of the worker, notably on human capital, characteristics of the firms are also important in determining wages. Inter-industry wage differentials are well known (Krueger & Summers 1988), but there may also be inter-firm differences in hiring, wage-setting practices, and organization of the workforce. This heterogeneity at the firm level goes beyond observable firm characteristics but may have important implications for workers as well as for the firms themselves. Moreover, social interaction in the workplace may lead to knowledge spillover in which workers learn from each other and build up skills to an extent that they would not have otherwise and therefore they earn more. In such a case, when workers are more productive, there will be positive externalities from interaction, and a firm's productivity will exceed the sum of individual worker productivities (Marshall 1890). By extension, peer effects are one of the reasons why firms exist.

While there are plenty of papers on peer effects in schools (see Sacerdote 2011 for a review), there are only few studies on peer effects in the workplace. The literature is as yet limited

but growing. It is restricted to studies on productivity in quite specific settings, based on laboratory experiments (Falk & Ichino 2006) or real data from a single firm or occupation, commonly low-skill occupations where learning is limited and output is easily observable (Mas & Moretti 2009; Bandiera, Barankay & Rasul 2010; Kaur, Kremer & Mullainathan 2010, Park 2016). The extant literature covers present-day contexts and is void of historical evidence. In this paper we assess the impact of the work environment on individual wages in the past when most work, unlike today, was low-skilled, training was limited, and the learning period was short. Organization of work and the workforce in many industries provided opportunities for workers to learn not only by doing but also by watching and mimicking others. The fact that many manufacturing workers were paid piece rates and according to their productivity enables us to find out whether any productivity spillovers lead to wage spillovers.

We use data from turn-of-the-last century Swedish manufacturing that is suitable[1] for this purpose because it contains information on both worker and firm characteristics. Based on detailed information on all workers and firms in the tobacco industry we are able to construct a matched employer-employee data set covering cigar workers that enable us to assess wage profiles and the return to experience while controlling for individual characteristics. We then add two previously unexplored levels of analysis that are related to the firm. We control for unobserved heterogeneity at the firm level through firm fixed effects and also explore the impact of social interaction at the workplace (i.e., peer effects) and whether co-worker quality and characteristics mattered for individual wages.

We add to the literature on historical labor markets in three ways: 1) by analyzing productivity spillovers through social interaction in a historical workplace setting; 2) by investigating peer effects on wages and their potential causes; and 3) by extending the literature on historical wage profiles to a non-Anglo-Saxon context while at the same time keeping the gender dimension in mind. Our overarching research question is: What mattered for the earnings of men and women working in a gender-mixed industry/occupation in late nineteenth-century manufacturing? More specifically we ask: Was it who they were, where they worked or whom they worked with?

[1] While panel data would have been ideal, this data does have the important feature of containing the information on co-workers essential for this study.

Previous research and theoretical considerations

What causes productivity spillovers? Communication and social interaction between co-workers provide learning opportunities and facilitate comparison of productivities. Workers who fall behind others may experience "peer pressure", which makes them expend more effort at work from social reasons (i.e., not only from monetary incentives). To the extent that workers can learn from each other and build up skills that they otherwise would not have, there may also be "knowledge spillover". Both explanations imply that workers are more productive if they work with more productive peers and that a firm's total productivity exceeds the sum of individual worker productivities. Despite their economic importance, empirical evidence on peer effects in the workplace is as yet limited. Mas and Moretti (2009) studied workers at a large supermarket and showed that workers' productivity increases when they work alongside more productive co-workers, arguably through social pressure. Controlled laboratory experiments (e.g., Falk & Ichino 2006) have revealed similar results through the same mechanism (see also Kaur, Kremer & Mullainathan 2010; Bandiera, Barankay & Rasul 2010). The evidence for peer effects in the workplace induced by knowledge spillover is, however, mixed with some studies finding support for them (Jackson & Bruegemann 2009; Azoulay, Graff Zivin & Wang 2010), and others not (Waldinger 2012). Studies documenting peer effects through social pressure have typically analyzed low-skill jobs and repetitive tasks, while those investigating knowledge spillover have analyzed scientists. The contexts covered in previous studies are quite particular and not necessarily representative. Only one study (Cornelissen, Dustman & Schönberg 2014) extended the analysis to the general labor market (Germany 1989-2005). This is also the only study which investigates wages. Cornelissen, Dustman and Schönberg (2014) found only small peer effects in wages, especially among high-skilled occupations (typically investigated in previous studies of knowledge spillover) yet larger peer effects among low-skilled occupations (investigated in previous studies of social pressure).

Do productivity spillovers lead to wage spillovers? In theory, not necessarily. In a simple competitive labor market, as the one we study, the wage depends on the worker's own characteristics and skills, not on co-workers skills (Kremer & Maskin 1996). The firm might compensate a high-quality worker who makes co-workers more productive without compensating all who become more productive. Peer quality is different from own characteristics in that it is a job match-specific wage component, which is not portable between firms or between jobs.

In this paper, we add a historical dimension to the extant literature focusing on modern contexts by investigating whether peer effects uncovered in the extant literature are confined to today or whether they have long-tap roots, thus providing evidence for the external validity of existing studies. We investigate the importance of peers for men's and women's earnings in gender-mixed workplaces where the majority of workers were paid according to productivity. Our analysis thus focuses on peer effects in *wages* rather than *productivity,* addressing whether or not workers were economically rewarded for peer-induced productivity increase. We compare the magnitude of peer effects across low- and high-skilled workers in different firms, and assess whether these peer effects were driven by social pressure or knowledge spillover.

Data and methods

Our data come from an exceptionally rich survey of the Swedish tobacco industry. Concern about economic issues, including gender issues, from 1880 led to considerable data collection via surveys and censuses in the US and Europe. As part of this movement, the *Swedish Board of Commerce* instigated large-scale statistical surveys of industries of which tobacco was one (surveyed in 1898). Industries were surveyed in their entireties with one set of questions for employers, and another for employees. Employers were asked about the number of employees, their earnings, machinery, working hours, employment contracts and regulations, fringe benefits, experiences of strikes and lock-outs. Workers were asked about the date and location of birth, parents' occupation, civil status, number of children, health status, present occupation, year when entering the branch as well as the present occupation, year when employment at the present factory began, weekly income, wage form, and whether they were union members or subscribers to a benefit society. The ambition was to collect data from all workers employed at the point in time when the agents visited the factory. In total, the agents managed to collect answers from 4,380 tobacco workers. We limit our study to workers in the main production task, cigar making.

Cigar production was the most important branch of the tobacco industry, accounting for almost 70 percent of total employment. Cigar making was a three stage process: preparation work, rolling, sorting and packaging. Preparation involved handling of the raw tobacco and fermentation. Rolling was undertaken either by hand or with the help of a wooden mold. Finally, the cigars were placed on frames to dry, sorted by quality, and packed into boxes. Cigar production was at the time of the survey factory-based, with a clear division of labor according to skill. Cigar production was

crafts-like and relatively un-mechanized by international standards (Cox 2003:124; Elmquist 1899:64). Raw tobacco preparation was unskilled work, whereas rolling and sorting were considered more difficult.[2] Rolling required dexterity while sorters needed experience to grade products by quality. The traditional training period for cigar makers and sorters was at least two years but the rapid expansion of cigar production and the introduction of cigar making molds shortened the learning process, and made apprenticeship less common by this period (Elmquist 1899:96-98; Oakeshott 1900:565). In 1898, two-thirds of cigar workers were women, similar to the ratio prevailing in the wider industry. Women were more likely than men to be on the lower rungs of the job ladder, working as preparatory workers or bunch makers. Nevertheless, men and women with similar skills worked side by side within individual factories (Collett 1891:460-473; Elmquist 1899). Women could join the cigar makers' union but fewer women than men chose to do so.

We are able to match workers to firms and aggregated co-worker characteristics to measure peer effects. We restrict our sample to workers for whom we have complete data. We also restrict the sample to workers age 15 and older, working in firms with at least ten employees. Since workers reported both weekly earnings and hours worked, we are able to use hourly earnings as our dependent variable (i.e., the natural logarithm of weekly earnings divided by hours worked during a normal working week). This is particularly useful in the case of gender analysis, since the danger of using weekly wages is that women may be paid less because they work shorter hours. Earnings refer to wage earnings and do not include the value of fringe benefits, which were trivial in the Swedish tobacco industry by 1898. We know whether the worker was paid an hourly wage rate or a piece rate, but measure the hourly wage as average earnings per hour in both cases. Piece rates were individual and gender-neutral but varied according to task and quality of the product, and also across firms. Since piece rates were task-based (e.g., rolling) and related to the product (e.g., standard cigar), workers in the same job were on the same wage form, and could not choose which wage form they wanted. Neither was it a discretionary choice for the individual worker to opt for a certain piece-rate of choice.

Table 1 presents descriptive statistics for the men and women in our sample. On average women earned two-thirds as much as men. They were also younger and had both less experience in the occupation and shorter tenure with their current firm. We know the worker's age and the number of years of experience in the current occupation, so we calculate the age at which the

[2] In a similar manner, North American cigar makers were also considered skilled workers (Cooper 1987).

worker started to work in the occupation. We do not know whether the worker had previously worked in a different occupation, and cannot infer anything about education from this variable, but we include it to control for variation in wages due to age as opposed to experience. Men seem to have begun work in the occupation at a younger age than women. Women were less likely than men to be married, and less likely to be a union member.

In addition to the worker characteristics, we also have information on the firm where they worked. We include a dummy variable indicating whether the firm was in a central city (Stockholm, Gothenburg, or Malmoe), and we divide firms into three size categories. Small firms have fewer than 50 workers, and large firms have more than 100.[3] Percent Unionized measures the percentage of the individual's co-workers who are union members and Percent Female measures the percentage of the individual's co-workers who are female.[4] Firm Labor Productivity is the [annual net?] income of the firm [in krona] divided by the total number of workers.

We estimated standard OLS models to analyze the determinants of hourly wages for men and women separately. First we analyzed the importance of individual characteristics for earnings, then we controlled for firm-level characteristics, and finally we added co-worker characteristics as variables measuring peer effects and social learning at the workplace. Our analysis thus provides a crucial and entirely novel empirical angle by assessing whether individual wages in the past were affected by the firm's observable and unobservable characteristics or by co-workers' characteristics.

Table 2 shows average wages and the number of workers by gender and occupation. Females earned lower wages in every occupational category except bunchmaker, where they earned on average 50 percent more than the males. This inverted gender gap is explained by the fact that there are no adult males in bunchmaking. Male bunchmakers had an average age of 16, and none were older than 18. Female bunchmakers, on the other hand, had an average age of 25, and ranged in age from 15 to 60.

Who you are

[3] Firm size is defined by all employees not just cigar makers, so a firm of size 50 contributes less than 50 observations to our data set.

[4] The individual whose wage is being predicted is not included in the calculation of Percent Unionized or Percent Female.

We begin by asking to what extent the wage was determined by individual characteristics of the worker. Table 3 demonstrates that individual characteristics explain most of the variation in wages between different workers of the same gender.[5] Both men and women earned more if they had children at home, perhaps because dependents gave them a greater incentive to work hard (Burnette and Stanfors 2012). Both men and women earned more if they were married; this association could reflect either work effort or selection into marriage. The positive impacts of union or benefit society membership on wages is probably the result of positive selection into these organizations.

Our experience controls suggest that experience in the occupation was important in determining the wage but that tenure at a particular firm was not. Figure 1 graphs the wage-experience profiles suggested by the first and third columns of Table 3.[6] There are two profiles for each gender, one with tenure always zero, and one with tenure equal to experience, but the two lines are indistinguishable, telling us that firm tenure does not matter. While tenure was not important, experience inthe occupation clearly was. For both genders there seems to have been a training period during which wages rose rapidly with experience. At some point, though, workers became proficient and their wages stopped rising.

The experience profiles suggest that males and females started their cigar-making careers at a similar wages, but that female wages stopped rising earlier than male wages, resulting in a lower wages for experienced women than for experienced men. These profiles suggest that we should look for differences in how men and women were trained. In fact, we find that women were less likely to be apprenticed than men. Among workers with less than five years of experience in the occupation, 41 percent of the men but only 11 percent of the women were apprentices.[7]

Where you work

Wages may reflect not only differences in characteristics of individual workers, but also differences across firms. There are a number of reasons that wages might differ across firms. If working conditions are different, some firms may have to pay compensating differentials to attract

[5] If men and women are included in the same regression, individual characteristics explain about half of the gender wage gap.

[6] For an explanation of why we use the quadratic spline as the functional form, see Burnette and Stanfors (2015).

[7] This relationship is confirmed by a probit regression of the the dummy variable apprentice on sex and experience. Being female has a significantly negative effect on the probability of being an apprentice.

workers. It is also possible that workers were sorted by unobserved characteristics, leading some firms to have higher wages because they had more productive employees. There may also have been differences across firms related to efficiency wages. If larger firms found monitoring more difficult they may have had to pay higher wages to elicit effort. If worker effort was related to whether wages were perceived as fair (Akerlof 1982), then firms with higher profits may have needed to pay higher wages to maintain worker effort (Krueger & Summers 1988).

Since we have data on firm characteristics as well as worker characteristics, we can examine how important firm characteristics were in determining wages. Table 4 adds firm characteristics to the wage equations. In columns 1 and 3 of Table 4 we examine the effects of firm characteristics on wages. Firms in the three largest cities paid substantially more than other firms (while the estimated effects are similar, the effect is only statistically significant for women). This city premium may have compensated workers for urban disamenities or for a higher cost-of-living in the larger cities. While the effect of being a union member is positive, the effect of working in a firm where your co-workers were union members is negative. This suggests that unions were not effective method of increasing wages at the firm level, and is consistent with our explanation of the union membership effect as representing positive selection into union membership. Women earned more at firms with a higher percentage female, which is our first hint that your co-workers mattered.

We also include controls for the firm's income [profit?] per worker. If expectations of fairness enforced rent-sharing then firms with higher income would also pay higher wages. The results again suggest a difference across gender. Men earned higher wages at higher-productivity firms, but women did not. It is possible that men, but not women, had a gift-exchange relationship with the firm, leading to higher wages for men at profitable firms. As has been suggested by Goldin (1986, 1990) and Owen (2001), the appearance of efficiency wages may have led to gender wage discrimination as men but not women were paid efficiency wages. Our results then suggest that efficiency wages emerged early and is part of the story described in *Understanding the Gender Gap* (Goldin 1990) but contributed to the emergence of gender wage differences in a somewhat different manner as suggested by Goldin. While Goldin focuses on job ladders that differed by gender, our results suggest that income sharing also differed by gender.

Including firm fixed effects in the model specification allows wages to respond to unmeasured differences across firms beyond the scope of previously included firm characteristics.

The differences across firms were fairly large and were greater for women than for men. For women the difference between the highest-wage firm and lowest-wage firm was 1.07 log points, while for men the difference was 0.80 log points. For women there were 52 firms and 1,326 pairwise comparisons between firms, and in 573 (43%) of these comparisons the difference in wages was statistically significant. For men there were 946 pairwise firm comparisons, and in 111 (12%) of these comparisons the two firms paid significantly different wages.

With whom you work

We also add a previously unexplored level of analysis, which is social interaction at the workplace (i.e., peer effects), and ask whether co-worker quality and characteristics mattered for individual earnings. Our measure of peer quality is the average experience in the occupation of your co-workers, i.e., individuals who work for the same firm. Peer effects may be the result of either social pressure or knowledge spillover through informal training. If those around you are producing more output, you may not wish to fall behind and thus produce more because you are working harder. Social interaction could have either positive or negative effects on output. If those around you are producing more output, you may not wish to fall behind and thus produce more because you are wrking harder. On the other hand, working near friends may be distracting (Park 2016) and workers on piece rates have been known to exert social pressure on other wokers to reduce output so as not to induce reductions in the piece rates.[8] If you learn from your co-workers, then workers with more skilled co-workers should learn more and earn higher wages. To check whether the gender of your peers was important for this process we also measure peer experience separately for male and female co-workers.

If we treat all co-workers as one group, the average experience level of co-workers had no significant effect on wages for either gender (Tables 5 and 6). However, if we divide co-workers by gender we see some effects. For men, female peer experience seems to increase wages in regressions without firm controls, but controlling for firm characteristics makes the effect of female peer experience insignificant. For women, the experience of female co-workers had significantly positive effects on wages, but the effect becomes insignificant when we control for firm characteristics. The skills of male co-workers did not benefit female wages. This suggests that

[8] In 1919 two workers at the Amoskeag Mills in New Hampshire were expelled from the union for exceeding the union's standard for a day's work. They folded 525 to 550 cloths a day, while the union standard was 450. Hareven, 1982, p. 143.

women were learning from their female but not their male peers. The effects of 'Percent Female' at the firm-level are consistent with this story. The percentage of the workforce that was female had no significant effect on male wages, but women had significantly higher wages if they worked in a firm where a larger percentage of the workforce was female. If women received informal training from other women, then there would be more opportunities to receive such training when the percentage females was higher.

The literature suggests that peer effects may be the result of either social pressure or training. If peer effects work through social pressure then workers at all levels of experience should experience effects. If peer effects are the result of informal training, then we would expect inexperienced workers to get a larger benefit from skilled peers than experienced workers, especially in a trade where the learning curve was steep and short (see Figure 1 and Burnette & Stanfors 2015). To test this hypothesis we divide the sample into low-experience and high-experience workers and run separate regressions on each group. Since the wage-experience profiles have a steep portion and a flat portion, we define the training period as the time during which the wage-experience profile is steep.[9] We also interact the individual's experience with the average experience of their co-workers, to assess whether the effect of peers changes with your own level of experience. The results are presented in Tables 7 and 8.

For men the results are consistent with co-workers being merely an impediment to higher earnings and not a source of training or positive social pressure. The experience of co-workers had no effect on low-experience men.[10] Experienced female co-workers at first appear to have benefitted the wages of high-experience men, but this effect goes away once we control for firm characteristics, since firms in the larger cities had more experienced female workers. The negative effect of male peer quality, however, is significant once we control for firm characteristics. High-experience men had lower wages if their male peers were more experienced. This suggests that male peers did not help other men. Experienced men may have formed relationships that

[9] This point is determined by the data. The break-point of the quadratic spline was chosen by searching among at least ten possible break-points and choosing the break-point that gave the highest R-squared.
[10] We also tried a specification where peer experience was interacted with experience, and the results are consistent with those presented here. Male peer experience has no significant effect on wages, but the interaction of male peer experience and experience is negative, suggesting that peer experience has a negative effect only for more experienced cigarmakers. Both female peer experience and its interaction with experience are insignificant.

encouraged them to limit their production ro avoid decreases in the piece-rate.[11] It could also be that more experience workers established friendships, and that working with your friends was distracting. Park (2016) found that working near a friend reduced output 6 percent. The interaction terms are consistent with this story. While male peer experience had no effect on a man when he began, over time the effect of male peer experience became more negative, so that it was the high-experienced men who had negative effects from working with other high-experience men.

For women the results are much different, and suggest that women benefitted from knowledge spillover through informal training from female co-workers. High-experience women, who had already learned the trade, were not affected by the experience level of their co-workers. Low-experience women, however, earned higher wages if they worked with more experienced female peers.[12] The interactions suggest that female peer experience has a positive effect on the wages of a new worker, but that this effect eroded over time. This is consistent with women who are learning the trade being able to learn more from more skilled co-workers. Male peer experience had no effect, suggesting that the training relationship was gender-specific. Women also benefitted from having more female co-workers. Low-experience women had significantly higher wages if the workforce of their firm had a higher percentage of females. This effect goes away for high-experience women, suggesting that the benefit of a female workforce was in training.

We also divide peer experience by occupation. We do not have enough observations to divide the sample into four different occupational groups, but we do have enough data to divide peers into rollers and non-rollers as well as by gender. Tables 9 and 10 show the effects of peer experience in four categories, on all worker, rollers, and non-rollers. Generally men are not affected by their peers. An exception is that male non-rollers have higher wages then other male non-rollers have more experience. If there is an solidarity among men, it is among non-rollers. For women we find that the experience level of female rollers has a positive effect on the wages of both female rollers and female non-rollers. It seems that not only rollers, but also those in related tasks, learn from their female peers. Experienced male rollers, however, have a negative effect on

[11] Rule (1986 p. 120) suggests that piece-rate workers would "take care that over-zealous comrades did not disturb notions of what was 'normal' and thereby not only ovtain for themselves a disproporationate share of available work, but risk a lowering of the rate for all."

[12] We also tried a specification that interacts experience with peer experience. Neither male peer experience nor its interaction with experience had a signficant effect on wages. Female peer experience has a significantly positive effect, but the interaction with experience was negative, suggesting that female peer experience had the greated effect on inexperienced female workers.

the earnings of female rollers. This effect is similar to the male-male effect in Table 7, and could be explained by efforts to restrict output among piece-rate workers.

We do not have enough observations to divide men by both experience and occupation, but we can do this for women. Table 11 gives the results. Male roller experience continues to have a negative effect on female rollers' wages, and male non-rollers also have a negative effect on high-experience female rollers. Women's experience, however, has a positive effect on the wages of their peers. The experience of female rollers has a positive effect on the wages of low-experience female roller peers, but no effect for high-experience rollers. Both low and high-experience non-rollers get positive effects from working with experience female rollers.

So far our analysis has included both piece-rate and time-rate workers. We expect earnings on piece rates to be a more accurate measure of actual output than time rate wages, since it is easier to disguise discriminatory payments in time rate wages. To check whether the wage effects we have found are the result of output differences we limit our sample to only workers working on piece rates. Table 12 presents our main conclusions for this sub-sample of workers. For men, experience of their male peers has no effect when they start work, but has an increasingly negative effect as the man stays longer in the occupation. For women with no experience, the point estimate of the effect of female peer experience is less than in Table 7 but still positive. This effect is eroded as the worker's experience increases.

Conclusion

In the study before us we find evidence for that whom you work with matters, but only under certain circumstances. In the case studied, experienced co-workers seem to improve training, but only when both the learner and co-workers are female. Male wages are, if anything, lower in the presence of more experienced co-workers. There are a number of possible explanations for these patterns. It is possible that there was some sort of female solidarity leading women to help other women (though no such solidarity among men). It is also possible that men didn’t need the help of their experienced co-workers because they were receiving training in other ways. Our results suggest that the mechanism of peer effects was through training rather than social pressure, since only low-experience women received a benefit from having more skilled peers. We interpret the negative effect of male peers as the result of social pressure to not work too fast.

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Table 1. Descriptive Statistics

	Men N=711		Women N=1,558	
	Mean	SD	Mean	SD
Wages (krona/hour)	24.43	9.14	16.46	6.45
Ln Wage	3.10	0.48	2.72	0.42
Age	34.50	14.43	29.66	12.34
Experience	20.24	15.43	11.05	10.51
Tenure	7.74	10.70	5.66	7.22
Age at Start of Work	14.26	3.87	18.61	7.26
Married	0.42	0.49	0.19	0.39
Previously Married	0.06	0.23	0.08	0.27
Kids at Home	0.42	0.49	0.31	0.46
Union	0.80	0.40	0.36	0.48
Benefit Society	0.64	0.48	0.51	0.50
Good Health	0.80	0.40	0.72	0.45
Preparation Workers	0.04	0.19	0.27	0.44
Bunchmaker	0.05	0.23	0.15	0.36
Roller	0.83	0.38	0.47	0.50
Sorter	0.08	0.28	0.11	0.31
Big City	0.62	0.49	0.74	0.44
Small Firm	0.18	0.39	0.19	0.39
Medium Firm	0.42	0.49	0.36	0.48
Large Firm	0.40	0.49	0.45	0.50
Firm Labor Productivity	236.20	97.11	236.38	86.91
Percent Union	0.64	0.27	0.43	0.32
Percent Female	0.52	0.22	0.75	0.16
Peer Experience	14.76	4.23	13.55	4.59
Male Peer Experience	20.24	6.90	23.65	7.24
Female Peer Experience	10.10	5.25	11.05	4.50
Male Roller Peer Exp	22.15	7.26	26.55	8.60
Male Non-roller Peer Exp	10.27	6.77	10.92	7.19
Female Roller Peer Exp	14.17	7.13	14.37	5.84
Female Non-roller Peer Exp	8.85	4.99	8.53	4.27

Source: Specialundersökningar Tobaksindustrien 1898, Statistiska avdelningen, HIII b:1 samt HIII b:1 aa vol 1, Kommerskollegiets arkiv, National Archives (*Riksarkivet*), Stockholm.

Table 2. Wages By Gender and Occupation

	Men	Women	Wage Ratio
Prep Worker	17.34 (9.99) 27	11.17 (3.45) 418	0.64
Bunchmaker	8.64 (3.14) 38	13.10 (4.00) 236	1.52
Roller	25.23 (8.02) 587	19.48 (5.76) 733	0.77
Sorter	29.95 (9.94) 59	21.10 (6.41) 171	0.70

Note: For the "Men" and "Women" columns the first number if the average wage, the number in paretheses is the SD of the wage, and the bottom number is the number of observations in that cell.

Table 3. Who You Are

	Men		Women	
Constant	1.8696	2.0072	2.1348	2.3294
	(0.0897)	(0.0807)	(0.0668)	(0.0608)
Experience	0.3057	0.2685	0.2751	0.1968
	(0.0361)	(0.0363)	(0.0413)	(0.0371)
Experience Sqrd	–0.0202	–0.0175	–0.0267	–0.0178
	(0.0038)	(0.0037)	(0.0069)	(0.0062)
Spline	0.0176	0.0110	–0.0006	–0.0144
	(0.0265)	(0.0257)	(0.0316)	(0.0284)
Spline Sqrd	0.0201	0.0174	0.0264	0.0176
	(0.0038)	(0.0037)	(0.0069)	(0.0062)
Tenure	0.0002	0.0010	–0.0023	–0.0039
	(0.0043)	(0.0041)	(0.0037)	(0.0037)
Tenure Squared/100	–0.0038	–0.0059	0.0077	0.0156
	(0.0092)	(0.0091)	(0.0138)	(0.0108)
Age at Start of Work	0.0002	0.0005	–0.0097	–0.0043
	(0.0046)	(0.0044)	(0.0015)	(0.0012)
Married	0.0732	0.0569	0.0779	0.0506
	(0.0312)	(0.0299)	(0.0193)	(0.0134)
Previously Married	0.0492	0.0437	0.0011	0.0069
	(0.0474)	(0.0492)	(0.0398)	(0.0278)
Kids at Home	0.0832	0.0911	0.0593	0.0653
	(0.0393)	(0.0389)	(0.0185)	(0.0183)
Union	0.0927	0.0702	0.0948	0.0632
	(0.0390)	(0.0348)	(0.0223)	(0.0230)
Benefit Society	0.1621	0.1612	0.1298	0.1195
	(0.0393)	(0.0393)	(0.0253)	(0.0252)
Good Health	0.0576	0.0441	0.0568	0.0513
	(0.0296)	(0.0267)	(0.0161)	(0.0158)
Preparation Worker		–0.1206		–0.3396
		(0.1177)		(0.0356)
Bunchmaker		–0.2551		–0.2697
		(0.0840)		(0.0324)
Sorter		0.1309		0.1192
		(0.0452)		(0.0407)
R^2	0.695	0.712	0.481	0.613
N	711	711	1,558	1,558

Note: Standard errors (clustered by firm) are in parantheses. Spline breaks at 8 years for men and 5 years for women. Errors clustered by firm.
Source: See Table 1.

Table 4. Where You Work

	Men		Women	
Constant	1.9997 (0.1101)	1.8175 (0.1316)	2.1396 (0.0953)	2.3333 (0.0469)
Experience	0.2573 (0.0424)	0.2909 (0.0460)	0.2038 (0.0326)	0.1843 (0.0309)
Experience Sqrd	–0.0163 (0.0040)	–0.0192 (0.0043)	–0.0182 (0.0053)	–0.0165 (0.0049)
Spline	0.0038 (0.0245)	0.0169 (0.0256)	–0.0196 (0.0238)	–0.0202 (0.0221)
Spline Sqrd	0.0162 (0.0040)	0.0191 (0.0042)	0.0180 (0.0053)	0.0164 (0.0049)
Tenure	–0.0031 (0.0042)	–0.0049 (0.0046)	–0.0019 (0.0035)	0.0055 (0.0049)
Tenure Sqrd/100	–0.0027 (0.0093)	0.0089 (0.0105)	0.0120 (0.0109)	–0.0035 (0.0137)
Age at Start of Work	–0.0030 (0.0051)	–0.0001 (0.0043)	–0.0046 (0.0011)	–0.0046 (0.0010)
Married	0.0545 (0.0294)	0.1044 (0.0301)	0.0552 (0.0138)	0.0432 (0.0148)
Previously Married	0.0225 (0.0508)	0.0409 (0.0444)	0.0310 (0.0250)	0.0033 (0.0267)
Kids at Home	0.1118 (0.0387)	0.0511 (0.0316)	0.0653 (0.0199)	0.0612 (0.0186)
Union Member	0.1473 (0.0383)	0.0947 (0.0388)	0.0600 (0.0185)	0.0514 (0.0164)
Benefit Society	0.1308 (0.0323)	0.1291 (0.0314)	0.1119 (0.0231)	0.1137 (0.0211)
Good Health	0.0308 (0.0268)	0.0468 (0.0221)	0.0465 (0.0158)	0.0514 (0.0146)
Prep Wokrer	–0.0499 (0.1335)	–0.1272 (0.1295)	–0.3409 (0.0324)	–0.3553 (0.0301)
Bunchmaker	–0.2279 (0.0837)	–0.2352 (0.0979)	–0.2646 (0.0320)	–0.2790 (0.0279)
Sorter	0.1572 (0.0452)	0.1261 (0.0506)	0.1063 (0.0428)	0.1035 (0.0396)
Medium Firm	0.1018 (0.0536)		0.0034 (0.0333)	
Large Firm	0.0836 (0.0479)		–0.0217 (0.0448)	
Big City Location	0.0827 (0.0479)		0.0840 (0.0412)	
Percent Unionized	–0.2061 (0.0645)		–0.0020 (0.0465)	
Percent Female	–0.0828 (0.0734)		0.1724 (0.0872)	
Firm Labor Productivity/100	0.0363 (0.0097)		0.0015 (0.0222)	
Firm Fixed Effects	No	Yes	No	Yes
R^2	0.737	0.777	0.659	0.700

N	638	711	1,398	1,558

Note: Standard errors (clustered by firm) are in parantheses. Spline breaks at 8 years for men and 5 years for women. Errors clustered by firm.
Source: See Table 1.

Table 5. With Whom You Worked: Men

Peer Experience	0.0011 (0.0058) [0.85]	–0.0012 (0.0064) [0.85]		
Male Peer Experience			–0.0013 (0.0030) [0.68]	–0.0043 (0.0029) [0.15]
Female Peer Exp			0.0092 (0.0036) [0.02]	0.0036 (0.0058) [0.54]
Medium Firm		0.1053 (0.0537)		0.1204 (0.0533)
Large Firm		0.0877 (0.0559)		0.0938 (0.0570)
Big City Location		0.0859 (0.0437)		0.0633 (0.0511)
Percent Unionized		–0.2017 (0.0771)		–0.2136 (0.0627)
Percent Female		–0.0818 (0.0718)		–0.0332 (0.0800)
Firm Labor Productivity/100		0.0362 (0.0096)		0.0343 (0.0127)
R^2	0.712	0.737	0.720	0.739
N	711	638	708	637

Note: All regressions include the complete set of individual variables from Table 3.
Standard errors (clustered by firm) in parentheses and p-values in brackets.
Source: See Table 1.

Table 6. With Whom You Worked: Women

Peer Experience	0.0036 (0.0040) [0.37]	0.0032 (0.0056) [0.56]		
Male Peer Experience			–0.0010 (0.0025) [0.70]	–0.0029 (0.0026) [0.26]
Female Peer Experience			0.0083 (0.0040) [0.04]	0.0081 (0.0069) [0.24]
Medium Firm		0.0051 (0.0339)		–0.0079 (0.0444)
Large Firm		–0.0271 (0.0462)		–0.0411 (0.0688)
Big City Location		0.0689 (0.0478)		0.0742 (0.0489)
Percent Unionized		–0.0154 (0.0548)		–0.0412 (0.0741)
Percent Female		0.1864 (0.0897)		0.1745 (0.1042)
Firm Labor Productivity/100		–0.0018 (0.0236)		–0.0052 (0.0256)
R^2	0.614	0.660	0.633	0.664
N	1,558	1,398	1,413	1,296

Note: All regressions include the complete set of individual variables from Table 3.
Standard errors (clustered by firm) in parentheses and p-values in brackets.
Source: See Table 1.

Table 7. With Whom You Worked - Results Split by Experience: Men

	Low Experience	Low Experience	High Experience	High Experience	Interaction	Interaction
Male Peer Experience	0.0041 (0.0037) [0.28]	–0.0032 (0.0042) [0.45]	–0.0049 (0.0032) [0.13]	–0.0062 (0.0030) [0.04]	0.0050 (0.0037) [0.19]	0.0021 (0.0032) [0.52]
Female Peer Experience	0.0032 (0.0046) [0.49]	–0.0060 (0.0108) [0.58]	0.0123 (0.0038) [0.00]	0.0062 (0.0059) [0.30]	0.0035 (0.0046) [0.45]	0.0015 (0.0067) [0.82]
Male Peer Exp x Individual Exp / 100					–0.0306 (0.0113) [0.01]	–0.0296 (0.0094) [0.00]
Female Peer Exp x Individual Exp. / 100					0.0304 (0.0153) [0.06]	0.0184 (0.0139) [0.20]
Medium Firm		0.0925 (0.0595)		0.1435* (0.0600)		0.1179* (0.0548)
Large Firm		0.1467 (0.0766)		0.1006 (0.0618)		0.0893 (0.0583)
Big City		0.0822 (0.0977)		0.0868 (0.0604)		0.0536 (0.0548)
Percent Unionized		–0.0478 (0.1255)		–0.2506 (0.0792)		–0.2238* (0.0675)
Percent Female		0.2912 (0.1862)		–0.1580 (0.0937)		–0.0589 (0.0875)
Firm Labor Productivity / 100		–0.0212 (0.0422)		0.0371* (0.0154)		0.0326* (0.0134)
R^2	0.734	0.743	0.350	0.366	0.725	0.742
N	224	202	484	435	708	637

Note: Low experience means 8 years of experience or less. All regressions include the complete set of individual variables from Table 3, except that there is only a quadratics in experience rather than a spline. (There are no high-experience bunchmakers.) Standard errors (clustered by firm) in parentheses and p-values in brackets.
Source: See Table 1.

Table 8. With Whom You Worked - Results Split by Experience: Women

	Low Experience	Low Experience	High Experience	High Experience	Interaction	Interaction
Male Peer Experience	–0.0020 (0.0031) [0.53]	–0.0019 (0.0031) [0.54]	–0.0015 (0.0027) [0.62]	–0.0030 (0.0022) [0.19]	–0.0011 (0.0033) [0.73]	–0.0020 (0.0032) [0.54]
Female Peer Experience	0.0185 (0.0060) [0.00]	0.0208 (0.0089) [0.03]	–0.0014 (0.0027) [0.62]	0.0004 (0.0047) [0.93]	0.0187 (0.0059) [0.00]	0.0199 (0.0083) [0.02]
Male Peer Exp x Experience/100					–0.0005 (0.0164) [0.98]	–0.0034 (0.0163) [0.84]
Female Peer Exp x Experience /100					–0.0994 (0.0299) [0.00]	–0.1011 (0.0301) [0.00]
Medium Firm		–0.0852 (0.0612)		0.0263 (0.0523)		–0.0209 (0.0448)
Large Firm		–0.1772* (0.0861)		–0.0013 (0.0664)		–0.0694 (0.0690)
Big City		0.0562 (0.0551)		0.0431 (0.0395)		0.0514 (0.0445)
Percent Unionized		–0.0436 (0.0906)		–0.0610 (0.0646)		–0.0315 (0.0722)
Percent Female		0.2041 (0.1277)		0.0747 (0.1302)		0.1386 (0.1076)
Firm Labor Productivity/100		0.0229 (0.0334)		–0.0139 (0.0201)		–0.0013 (0.0246)
R^2	0.524	0.588	0.536	0.553	0.643	0.673
N	620	548	793	748	1413	1296

Note: Low experience means 5 years of experience or less. All regressions include the complete set of individual variables from Table 3, except that there is only a quadratics in experience rather than a spline. Standard errors (clustered by firm) in parentheses and p-values in brackets.
Source: See Table 1.

Table 9: Occupation-Specific Peers, Men

	All Men		Rollers		Non-Rollers	
Male Peer Rollers	0.0023 (0.0030) [0.47]	–0.0016 (0.0049) [0.75]	0.0013 (0.0039) [0.74]	–0.0016 (0.0068) [0.82]	0.0088 (0.0058) [0.16]	0.0135 (0.0079) [0.12]
Male Peer Non-rollers	0.0036 (0.0019) [0.08]	0.0002 (0.0031) [0.96]	0.0021 (0.0023) [0.95]	–0.0029 (0.0041) [0.49]	0.0106 (0.0047) [0.04]	0.0201 (0.0082) [0.03]
Female Peer Rollers	0.0087 (0.0044) [0.06]	0.0019 (0.0066) [0.77]	0.0092 (0.0048) [0.07]	0.0014 (0.0089) [0.88]	0.0102 (0.0112) [0.38]	0.0153 (0.0104) [0.17]
Female Peer Non-rollers	–0.0077 (0.0081) [0.35]	–0.0038 (0.0057) [0.52]	–0.0095 (0.0097) [0.34]	–0.0009 (0.0082) [0.91]	0.0025 (0.0194) [0.90]	–0.0515 (0.0420) [0.25]
Medium Firm		0.0402 (0.1114)		–0.0520 (0.1803)		0.2644 (0.1667)
Large Firm		0.0308 (0.1404)		–0.0751 (0.2136)		0.0948 (0.2927)
Big City Location		0.0480 (0.0568)		–0.0429 (0.0956)		0.4482 (0.1840)
Percent Unionized		–0.1420 (0.1305)		–0.1029 (0.2058)		0.3156 (0.3372)
Percent Female		0.2109 (0.3055)		0.6277 (0.4965)		–0.5670 (0.4537)
Firm Labor Productivity/100		0.0242 (0.0250)		0.0335 (0.0382)		0.0822 (0.0953)
R^2	0.740	0.755	0.502	0.510	0.915	0.934
N	349	311	291	257	58	54

Note: All regressions include the complete set of individual variables from Table 3. Standard errors (clustered by firm) in parentheses and p-values in brackets.
Source: See Table 1.

Table 10: Occupation-Specific Peers, Women

	All Women		Rollers		Non-Rollers	
Male Peer Rollers	–0.0001 (0.0027) [0.97]	–0.0108 (0.0027) [0.00]	–0.0004 (0.0021) [0.84]	–0.0130 (0.0028) [0.00]	0.0001 (0.0036) [0.98]	–0.0089 (0.0055) [0.13]
Male Peer Non-rollers	0.0012 (0.0036) [0.73]	–0.0028 (0.0029) [0.35]	–0.0011 (0.0029) [0.72]	–0.0079 (0.0066) [0.26]	0.0026 (0.0045) [0.58]	–0.0000 (0.0043) [0.99]
Female Peer Rollers	0.0089 (0.0058) [0.14]	0.0334 (0.0076) [0.00]	0.0090 (0.0063) [0.17]	0.0286 (0.0088) [0.01]	0.0091 (0.0075) [0.24]	0.0353 (0.0107) [0.01]
Female Peer Non-rollers	–0.0030 (0.0048) [0.53]	–0.0011 (0.0047) [0.83]	–0.0065 (0.0052) [0.23]	0.0036 (0.0056) [0.53]	0.0002 (0.0065) [0.98]	–0.0024 (0.0-87) [0.79]
Medium Firm		0.2830 (0.1800)		0.2831 (0.1992)		0.2847 (0.2405)
Large Firm		0.3944 (0.1910)		0.4173 (0.2154)		0.4133 (0.2761)
Big City Location		0.0976 (0.0245)		0.1281 (0.0441)		0.0860 (0.0511)
Percent Unionized		–0.4368 (0.1181)		–0.7219 (0.1667)		–0.3070 (0.1854)
Percent Female		–0.8124 (0.3124)		–0.9304 (0.4108)		–0.7632 (0.4922)
Firm Labor Productivity/100		–0.1949 (0.0324)		–0.2070 (0.0554)		–0.0020 (0.0005)
R^2	0.677	0.732	0.438	0.510	0.661	0.722
N	845	749	374	323	471	426

Note: All regressions include the complete set of individual variables from Table 3. Standard errors (clustered by firm) in parentheses and p-values in brackets.
Source: See Table 1.

Table 11. Peer Effects for Women, By Experience and Occupation

	Rollers		Non-Rollers	
	Low Experience	High Experience	Low Experience	High Experience
Male Roller Peer Experience	–0.0156 (0.0033) [0.00]	–0.0096 (0.0041) [0.04]	–0.0120 (0.0053) [0.04]	0.0056 (0.0052) [0.30]
Male Non-Roller Peer Experience	0.0076 (0.0068) [0.28]	–0.0137 (0.0042) [0.01]	–0.0040 (0.0061) [0.52]	0.0039 (0.0051) [0.46]
Female Roller Peer Experience	0.0483 (0.0077) [0.00]	0.0135 (0.0111) [0.24]	0.0349 (0.0106) [0.01]	0.0345 (0.0125) [0.02]
Female Non-Roller Peer Experience	–0.0116 (0.0177) [0.53]	0.0029 (0.0048) [0.55]	0.0096 (0.0151) [0.54]	–0.0155 (0.0075) [0.06]
Medium Firm	0.7518 (0.1424)	0.2440 (0.1987)	–0.0075 (0.2161)	0.9950 (0.1473)
Large Firm	0.8860 (0.2150)	0.2617 (0.2196)	0.0564 (0.2687)	1.1460 (0.1696)
Big City	0.2142 (0.1010)	0.0921 (0.0431)	0.0256 (0.0690)	0.1059 (0.0533)
Percent Unionized	–0.7483 (0.1690)	–0.4576 (0.2114)	–0.3898 (0.1868)	–0.2705 (0.2412)
Percent Female	–1.6256 (0.3264)	–0.5139 (0.3535)	–0.6336 (0.5581)	–1.2734 (0.3093)
Firm Labor Productivity/100	–0.3498 (0.0602)	–0.0708 (0.0576)	–0.1333 (0.0419)	–0.2376 (0.0524)
R^2	0.750	0.299	0.684	0.754
N	78	245	239	187

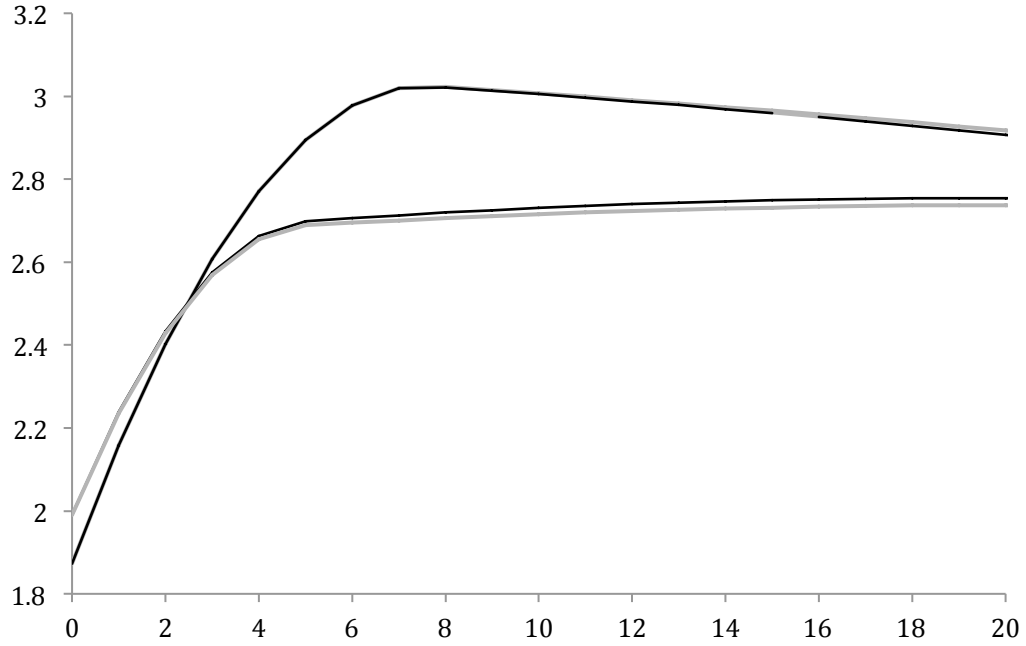
Note: All regressions include the complete set of individual variables from Table 3. Standard errors (clustered by firm) in parentheses and p-values in brackets.
Source: See Table 1.

Table 12. With Whom You Worked - Results for Piece-Rate Workers Only

	Men			Women		
Male Peer Experience	–0.0043 (0.0029) [0.16]	–0.0023 (0.0031) [0.46]		–0.0031 (0.0029) [0.29]	–0.0021 (0.0037) [0.58]	
Female Peer Experience	0.0020 (0.0056) [0.72]	–0.0048 (0.0067) [0.48]		0.0034 (0.0076) [0.65]	0.0136 (0.0098) [0.17]	
Male Peer Exp x Experience/100		–0.0276 (0.0129) [0.04]			–0.0069 (0.0156) [0.66]	
Female Peer Exp x Experience /100		0.0356 (0.0183) [0.06]			–0.0770 (0.0318) [0.02]	
Male Roller Peer Experience			0.0001 (0.0066) [0.99]			–0.0129 (0.0019) [0.00]
Male Non-roller Peer Experience			–0.0000 (0.0034) [0.996]			–0.0066 (0.0026) [0.03]
Female Roller Peer Experience			–0.0017 (0.0081) [0.84]			0.0443 (0.0058) [0.00]
Female Non-roller Peer Experience			–0.0043 (0.0074) [0.57]			–0.0015 (0.0043) [0.73]
Medium Firm	0.1446 (0.0493)	0.1427 (0.0489)	–0.0284 (0.1618)	–0.0251 (0.0506)	–0.0361 (0.0464)	0.0206 (0.0466)
Large Firm	0.1410 (0.0504)	0.1383 (0.0484)	–0.0488 (0.1876)	–0.0244 (0.0726)	–0.0583 (0.0713)	0.0114 (0.0631)
Big City	0.0643 (0.0513)	0.0698 (0.0545)	0.0287 (0.0861)	0.0841 (0.0513)	0.0664 (0.0503)	0.0454 (0.0447)
Percent Unionized	–0.2141 (0.0717)	–0.2288 (0.0762)	–0.0417 (0.1714)	–0.0190 (0.0830)	–0.0204 (0.0819)	–0.0384 (0.1674)
Percent Female	–0.0998 (0.0830)	–0.1314 (0.0868)	0.6254 (0.4566)	0.1681 (0.1405)	0.1413 (0.1410)	0.0379 (0.1674)
Firm Labor Prod./ 100	0.0338 (0.0130)	0.0282 (0.0129)	0.0464 (0.0355)	–0.0068 (0.0303)	–0.0035 (0.0296)	–0.0102 (0.0248)
R^2	0.714	0.719	0.684	0.651	0.657	0.728
N	582	582	281	1,080	1,080	647

Note: Low experience means 8 years of experience of less for men and 5 years of experience or less for women. All regressions include the complete set of individual variables from Table 3, except that there is only a quadratics in experience rather than a spline. Standard errors in parentheses and p-values in brackets.
Source: See Table 1.

Figure 1. Wage-Experience Profiles for Male and Female Cigar makers, Movers and Stayers



Note: Movers have tenure always equal to zero. Stayers have tenure equal to experience. Profiles for movers and stayers are indistinguishable.
Source: See Table 3.