

**Female Labour Demand Elasticities:  
Evidence from the Equal Pay Act**

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The Equal Pay Act (EPA) was passed in 1970 and came into force in 1975. It required that men and women were paid the same rate for equal or similar work. It is possible to exploit this event as a “natural experiment” for two purposes. Firstly, it can be used to estimate labour demand elasticities. Secondly, the EPA experiment can provide a test of different labour market theories. It has been suggested that the female labour market is monopsonistic and that studies based upon a labour demand curve are flawed. In this paper I use the EPA legislation to investigate these two issues. The demand elasticity for full-time females is estimated at  $-0.68$ , for part-time women at  $-0.64$  and for men at  $-0.37$ .

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