

Wage Inequality in International Perspective: Effects of location, sector, and gender



Tom Hertz, Ana Paula de la O-Campos, Alberto Zezza, Carlo Azzarri, Paul Winters, Esteban J. Quiñones, Benjamin Davis

Findings:

- **On average for 14 countries considered, the gender wage gap is as large as the urban-rural, or the farm-nonfarm wage gap.**
- **Gender wage gaps do not disappear automatically with economic growth.**

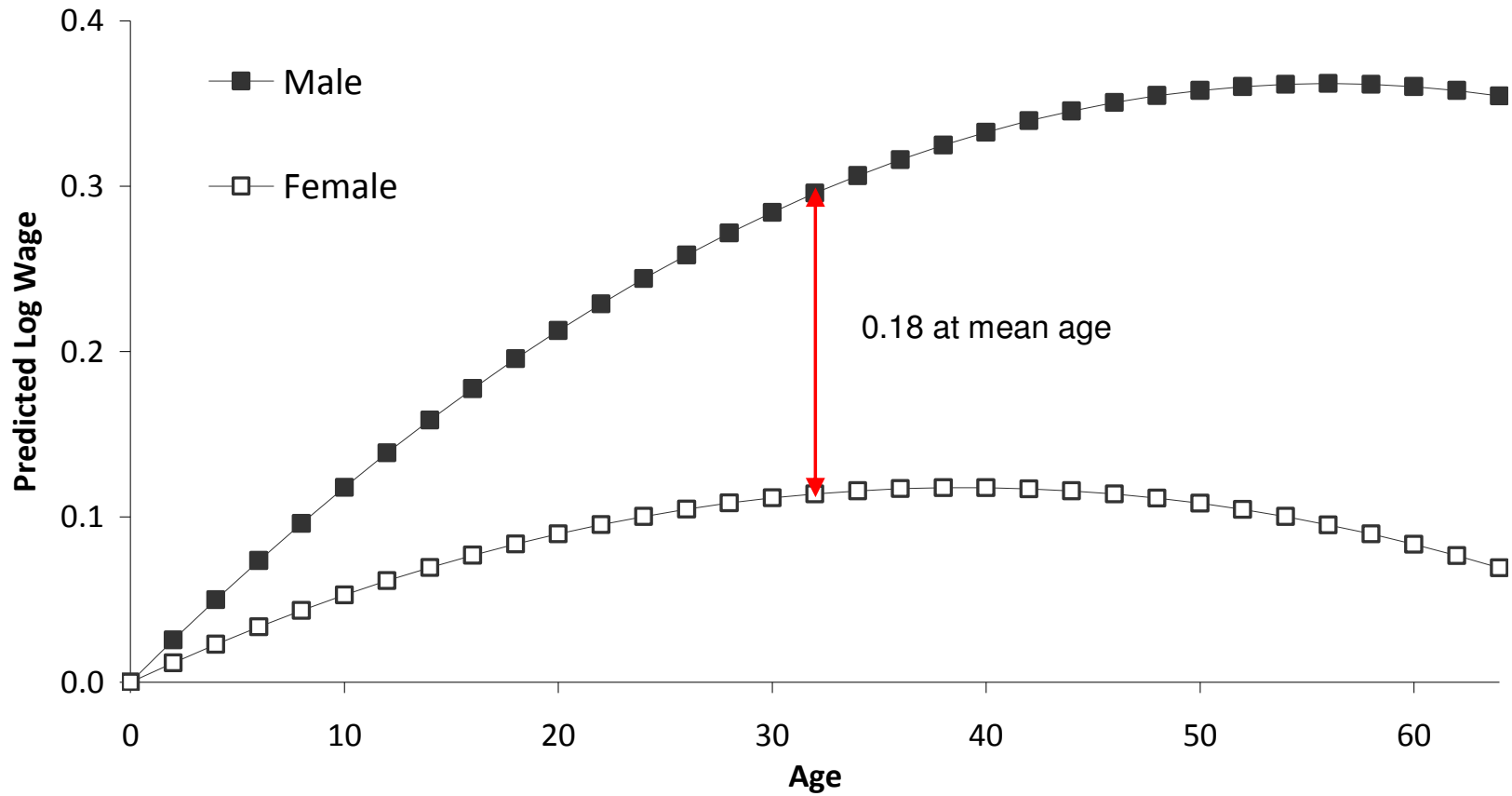
Data and Methods

- Household survey data from 14 countries from FAO's "RIGA" project
- Look at wage employment only (not self-employment / family farming)
- Include all formal and casual, farm and non-farm jobs
- Calculate the percentage difference between male and female wages
- Estimate the share that can be explained by gender differences in a long list of "assets" – including human capital, job characteristics, and more...
- The remainder is attributable to differences in "prices" (returns to assets)
- This unexplained remainder is an imperfect measure of labour market discrimination

Results: Rural Male-Female Wage Gaps

Countries	Log Wage Gap	Due to Asset Differences ("Explained")				Due to Price Differences ("Unexplained")		
		Educ	Indus	Occup	Assets	Age	Educ	Prices
Sub-Saharan Africa	0.35	0.02	0.03	0.01	0.05	0.20	0.01	0.30
South & East Asia	0.18	0.03	0.01	0.00	0.03	0.30	-0.02	0.15
Eastern Europe & Central Asia	0.37	0.00	0.08	0.01	0.13	-0.15	-0.01	0.23
Latin America & the Caribbean	0.15	-0.02	-0.01	-0.04	-0.11	0.42	-0.08	0.26
14 Country Average	0.25	0.01	0.02	-0.01	0.02	0.22	-0.02	0.23

Figure 2: Male Female Age Profiles (Rural Nepal)



Summary

- **Female/male wage gaps are...**
 - 90% unexplained in our sample, compared to about 75-80% in 67 countries
 - “Hyperdiscriminatory” in our 4 Latin American countries
 - Larger at older ages
 - Seemingly unrelated to per capita income