

VERONIKA HEDIJA
College of Polytechnics Jihlava, Czech Republic

WAGE DISCRIMINATION AGAINST WOMEN IN BALTIC COUNTRIES

Abstract:

According to Eurostat data, wage differential between men and women in Estonia is one of the highest in the European Union. On the other hand, the gender pay gap in the other two Baltic states, Lithuania and Latvia are incomparably lower and are around the EU average. However, the reported wage differences are unadjusted. The part of gender pay gap (or in extreme case all wage differences) can be explained by different average characteristics of men and women in the labor market. Only the part, that could not be explained by these factors is attributed to wage discrimination against women.

Estimates of potential wage discrimination are more accurate, the more characteristics of men and women are known and reflected in the models. The traditionally included characteristics are age, tenure, education, marital status, occupation, industry, region and firm. Intra household specialization is the factor, that is often neglected and that could play an important role in explaining the wage differences between man and women.

The paper aims to estimate the unexplained gender pay gap cleaned at least partially by effect of intra household specialization on wage in Baltic countries. To estimate the unexplained gender pay gap, we use European Union Statistics on Income and Living Conditions (EU-SILC) data and apply the Oaxaca-Blinder decomposition. Taking assumption that the child- and family-care take the partner who earns less, we estimate the unexplained gender pay gap using subsample of employees earning more than their partners.

Keywords:

gender pay gap, wage differences, wage discrimination, Oaxaca-Blinder decomposition, Baltic countries

JEL Classification: J31, J71, M50