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South Korea's Gender Divide: Within Occupations and Across Them

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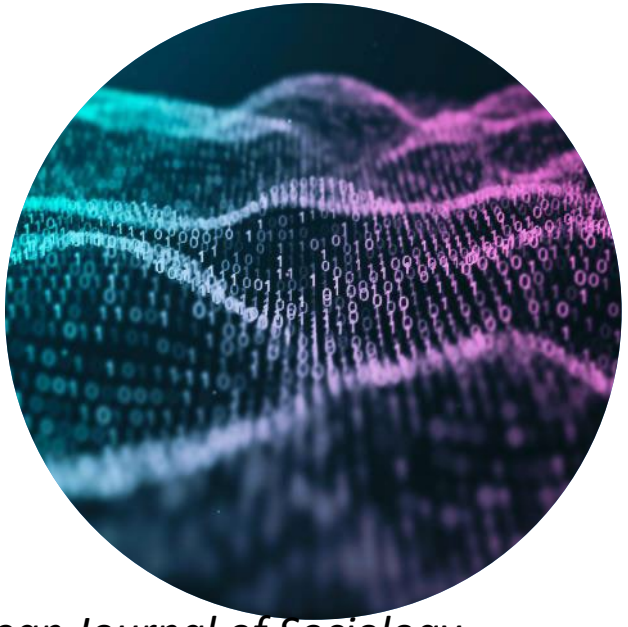
Gender Inequalities in Pay



- Two possible mechanisms: *Across* occupations vs. *Within* occupations
- Data
- Method/ Results
- Policy Implication

Based on, Youm, Y., Yamaguchi, K., and Sung, K. (2021). A tale of two gender inequalities. *Korean Journal of Sociology*. 55(4), 161-203

Two types of gender Inequalities

Within Occupation

Across Occupation

Data

* No absolute and universal criteria to tell us how much inequality is bad

* Need for the comparisons across periods/ societies

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* Inter-occupational gap
- 한국노동패널 (Korean Labor & Income Panel Study): 2009-2018 (10 years) data
- Only since 2009, the country-wide representative data are available.
- Too small sample for managerial positions: not proper for intra-occupation

* Intra-occupational gap
- 고용형태별 근로실태조사보고서 (Survey report on labor conditions by employment type, Occupational Wage Survey): 1990-2019 (30 years) data
- 3-digit occupation code is not available. → not proper for inter-occupation

Method : inter-occupational segregation by gender, Duncan Dissimilarity Index

$$D = \frac{1}{2}\sum_{i}^{n}\left|P_i^M - P_i^W\right|$$

P_i^M: the proportion of employed men in the occupation *i*

P_i^W: the proportion of employed women in the occupation *i*

This ranges from 0 to 1, meaning the minimum proportion of men (or women) to move for no occupational segregation

In general, the more occupational categories (*n*), the greater the index (D)

Method: occupational segregation index

8 occupations

1) Type 1 professional: doctor, dentist, professor, etc.
2) Type 2 professional: nurse, teacher, pharmacist, etc.
3) Managerial
4) Clerical
5) Sales
6) Manual, non-service
7) Manual, service
8) Others

분리 정도: Duncan Index

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Method : counter-factual decomposition of occupational segregation (Yamaguchi 2017)

Observed gender gap decomposed into:

- **Explained**: eliminated under the counterfactual assumption of identical human capital between genders
- **Unexplained**: persisting even with identical human capital

DFL Method (developed based on DiNardo, Fortin, Lemieux, 1996)

- Creates a hypothetical occupational distribution for women
- Impact: Shifts the overall population's occupational distribution
- Focus: Driven by supply-side factors (worker characteristics)

Matching Method

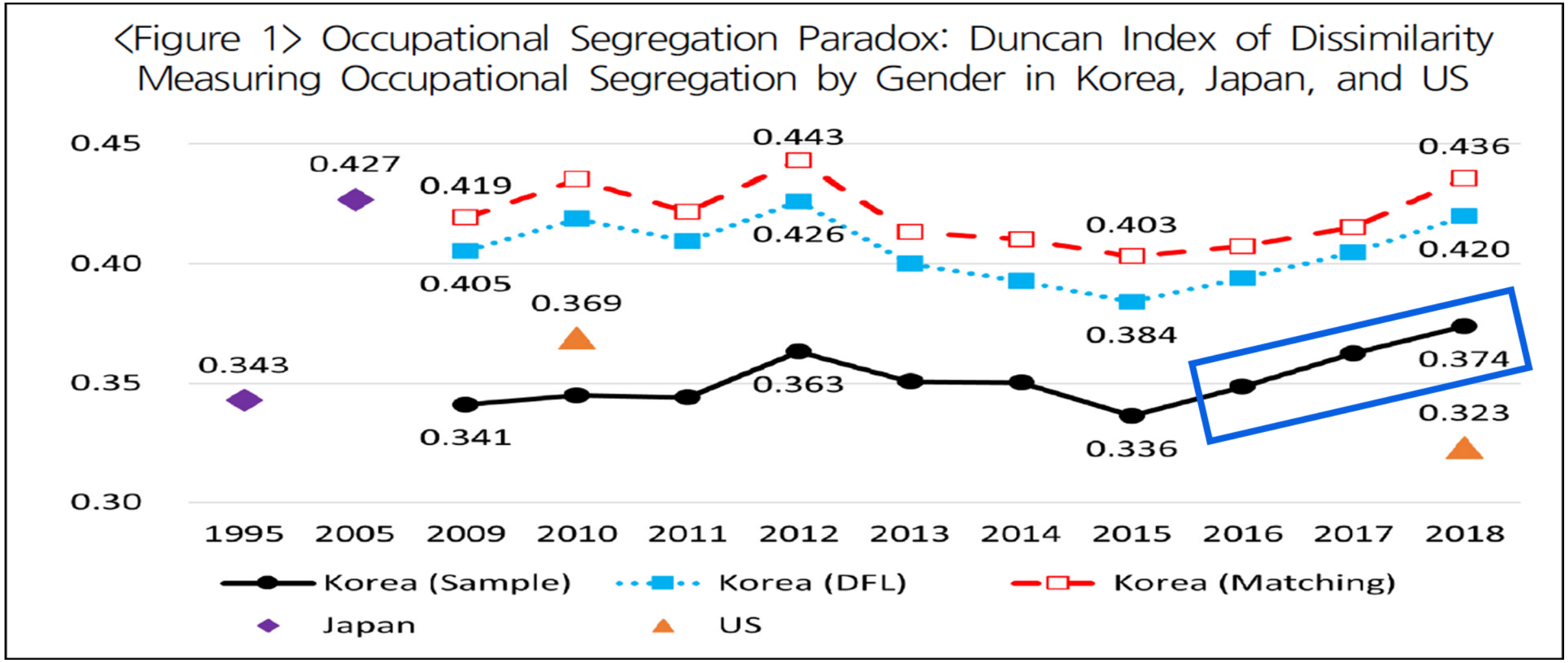
- Fixes the total population's occupational distribution
- Adjusts only the proportion of men and women within occupations under the identical human capital assumption
- Impact: Reflects changes driven by demand-side factors (employer preferences)

Method : Fortin and Huberman's counter-factual decomposition of wage gap

: decompose the wage gap into inter-occupational and

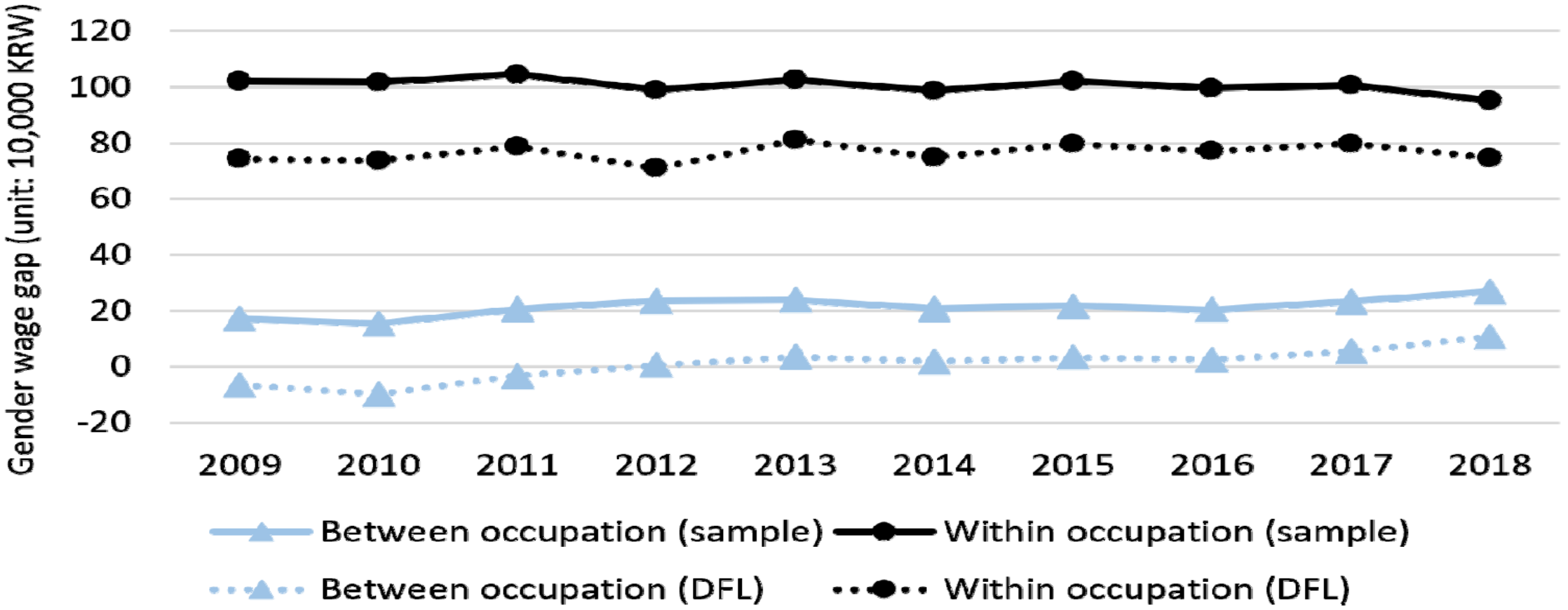
intra-occupational (Fortin and Huberman 2002)

Occupational segregation- trend



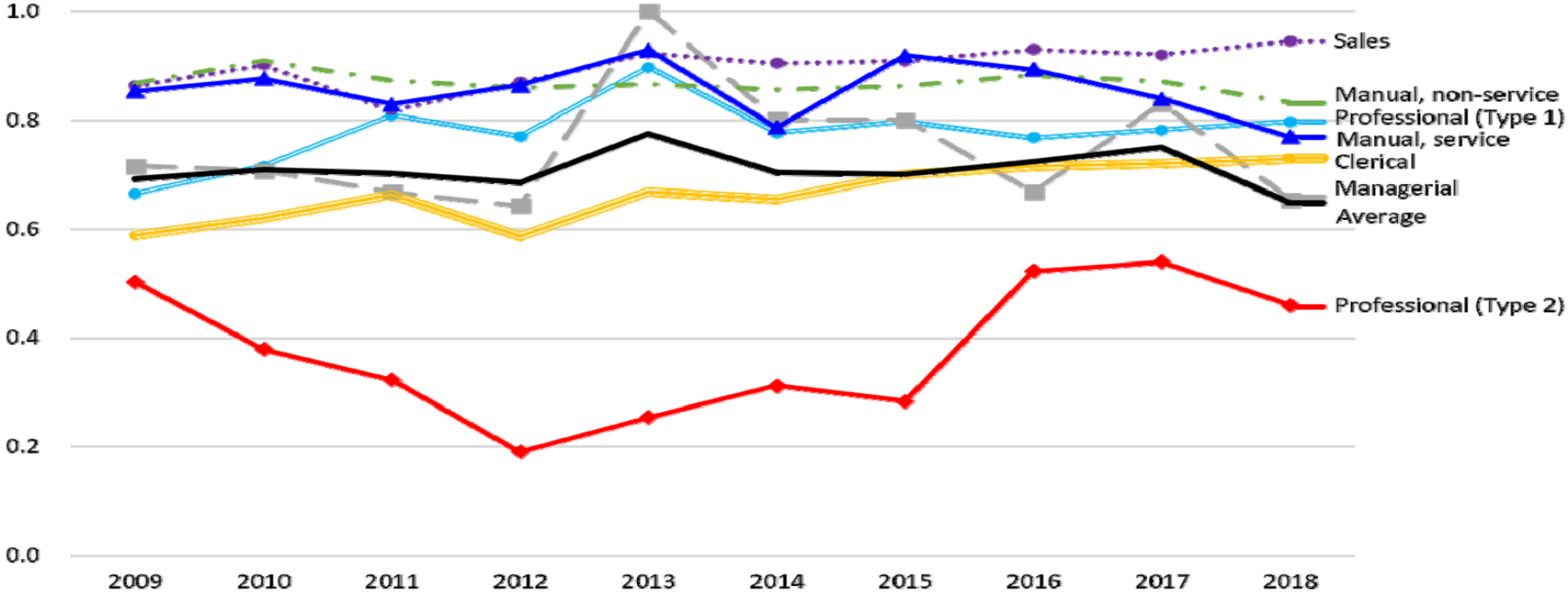
Occupational segregation – wage gap

<Figure 2> Decomposition of Gender Monthly Wage Gap into between and within Occupation Components, Before and After DFL Counterfactual Treatment

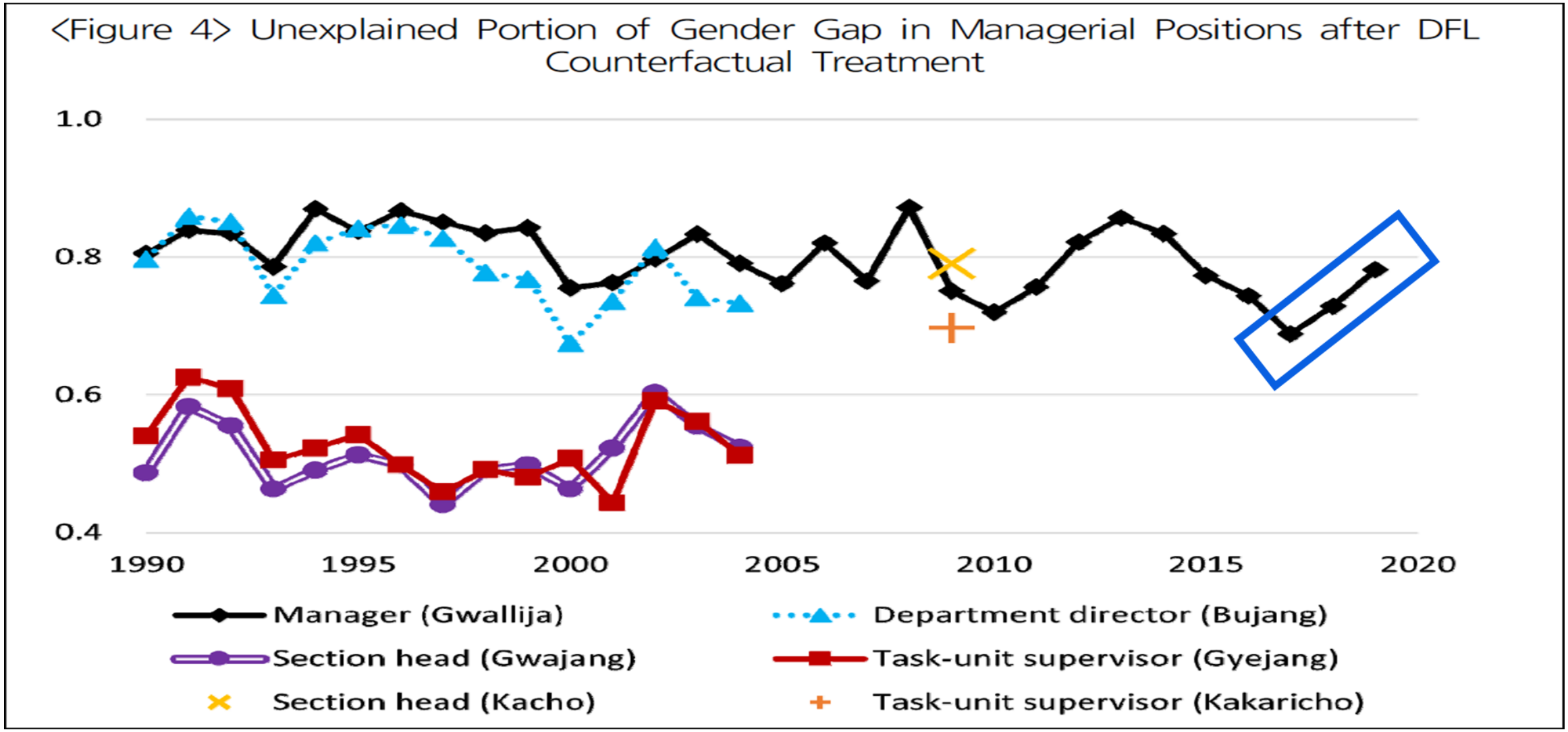


Wage gap: by occupation

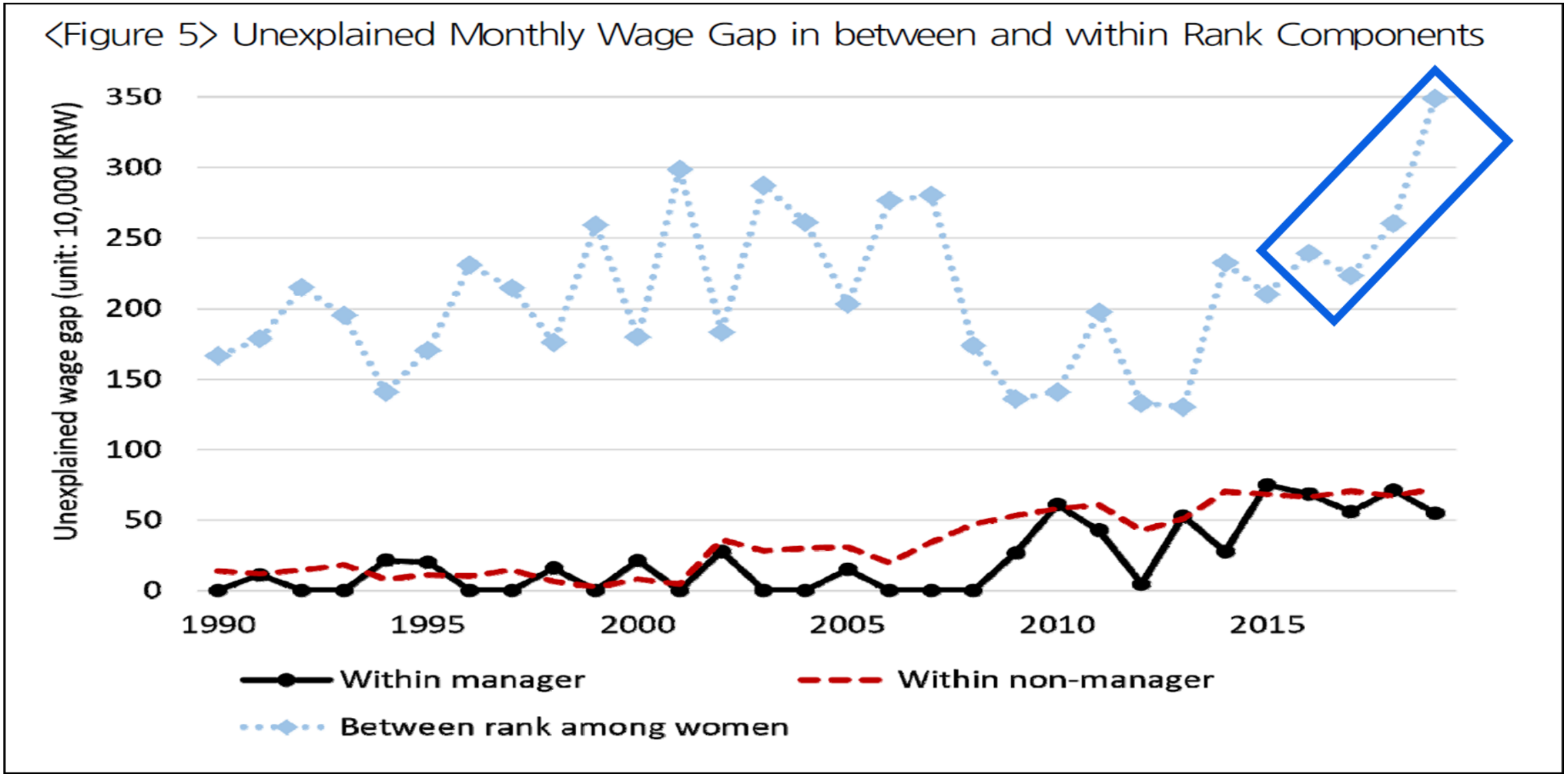
<Figure 3> Unexplained Portion of Gender Wage Gap After DFL Counterfactual Treatment



Vertical segregation (glass ceiling)- trend



Vertical segregation – wage gap




CONCLUSION

1. Within vs. Between Occupations

- Gender wage gap primarily driven by disparities **within** occupations, not **between** them.
- Counterfactual analysis (assuming equal human capital):
    - **Between occupations**: Gap < 100,000 KRW/month
    - **Within occupations**: Gap ≈ 800,000 KRW/month

2. Vertical Segregation (glass ceiling) and Promotions

- **Within same job rank**: Women earn ≈ 300,000 KRW/month less than men
- **Non-promoted women** (vs. promoted female manager): Earn ≈ 2.1 million KRW/month less
- **Managerial promotions**:
    - Women less likely to be promoted to managerial roles
    - 70% of promotion gap remains unexplained (assuming equal human capital)
- Key driver: Fewer promotions for women lead to larger wage gaps within occupations

3. Trends Over Time

- Patterns largely unchanged over the reviewed period
- Gender wage gap has worsened in recent years


d as a basis for
policy
organization's

From inequality to injustice (inequity)

- **Policy Implications: South Korea**
  - Women's equality – hottest social issue
  - Lacks sufficient empirical data for evidence-based policymaking
  - Deepen/ widen societal discussions based on evidence

- **Policy Implications**
  - Strong firm-level incentive for women’s promotion