TRANSFORMING ECONOMIES – for better jobs

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Gender Gap in Earnings in Vietnam: Why do Vietnamese Women Work in Lower Paid Occupations?
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Paper Discussion by Maria C. Lo Bue
Outline of the paper

• Analysis of the gender earnings gap
• Three different data sources (LFS, Young Lives, STEP)
• What explains the gap? Does the choice of occupation and industries play a role?
• Why do women choose to work in lower paid occupations?
• Three hp:
  – Social norms→ aspirations and educational choices
  – Barriers to employment in the own field of study
  – Earnings- Flexibility trade-off
Key Findings

• Women earn less than men (~one month’s income). The magnitude of this gap is constant over time

• The earnings gap persists despite the education gap has been closed
  • women’s work in lower paid occupations

• Women forego higher pay to work in occupations and industries which offer better non-monetary benefits.
  • unequal distribution of house and care work

• No evidence that social norms play a role in shaping girls aspirations to higher earnings

• Girls do not face higher barriers in their school-to-work transition
Comments

- Insightful analysis of the drivers of the gender pay gap. Focus on key aspects that have not been adequately addressed in previous lit. (occupational sorting and girls' aspirations).

- Occupational sorting as a result of sorting over the non-monetary characteristics → Women’s preferences for non-monetary characteristics (Eq.4 and Fig.8):

  \[ \text{Prob}(C_i) = \alpha + \beta_4 \text{Female}_i + \gamma X_i + \sum_{p=1}^{P} \tau_p Edu_{ip} + \epsilon_i \]

  - Why not controlling for the occupational category? (jobs that are considered by the society to be “suitable” for women may have specific characteristics)

- Number of hours worked per week vs preferences for part-time jobs (Eq. 5 and Fig. 9):

  \[ H_i = \alpha + \beta_3 \text{Female}_i + \gamma X_i + \sum_{p=1}^{P} \tau_p Edu_{ip} + \epsilon_i \]

- Non-monetary characteristics: are they mutually excludable?

- Girls aspirations: why not controlling for parents’ employment? (link to the literature on the transmission of gender attitudes / influence of mother vs father on daughters vs sons. See, for example, Fernandez et al. 2004 in QJE)