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11–13 September 2019 | Bangkok, Thailand

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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
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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
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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):
 - $Prob(C_i) = \alpha + \beta_4 Female_i + \gamma X_i + \sum_{p=1}^P \tau_p Edu_{ip} + \epsilon_i$
 - 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):
 - $H_i = \alpha + \beta_3 Female_i + \gamma X_i + \sum_{p=1}^P \tau_p Edu_{ip} + \epsilon_i$
 - 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)
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