

Gender Wage Gap: Evidence from South Korea

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Abstract:

Using microdata, I provide explanations for the gender wage gap in South Korea, which has had the largest gap among OECD countries since the 2000s. Although improvement in females' relative measured labor market characteristics plays an important role in the decrease of the gender wage gap, the wage convergence between full-time male and female workers slowed over the periods. Measured labor market characteristics cannot explain a large part of the gender wage gap over the periods. Specifically, the unexplained gender wage gap has become larger than the explained gender wage gap over the periods. I present the glass ceiling effect and the impacts of marriage and children as sources of the unexplained gender wage gap. I provide evidence of the existence of a glass ceiling, in that the unexplained gap substantially increases at the upper end of the wage distributions over the periods. In addition, I show that the effects of marriage and the first childbirth can help to account for a dramatic increases in the gender wage gap for female workers in their 30s and 40s. I identify that once full-time female workers marry, the difference in the wage paths between males and females significantly diverges.

Keywords: Unexplained Gender Wage Gap, Glass Ceiling, Impact of Marriage and Children

JEL Codes: J31, J22, J16