



The role of occupational attributes in gender earnings inequality, 1970–2010



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ABSTRACT

Grounded in the research on the important role of social structures in forming gender inequalities, this study examines the effect of occupational attributes on the gender earnings gap over four decades. Using the IPUMS-USA from 1970 to 2010, the paper shows that occupational attributes cannot be reduced to the aggregate attributes of their individual incumbents. Rather, the effect of occupations on the gender earnings gap goes far beyond both the distributive role of occupational segregation and the effect of individual wage-related characteristics. Furthermore, occupations not only explain a significant portion of net gender pay gaps, but have also contributed to the narrowing of the gaps over the past several decades, as occupational attributes that favor women's pay have become more dominant over time.

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1. Introduction

The decline in gender pay gaps from 1970, as well as the slowdown in this decline in recent decades, has drawn much scholarly attention (Blau and Kahn, 2006a; Cotter et al., 2004; England, 2010; Mandel and Semyonov 2014). Traditionally, studies on trends in overall earnings gaps, as well as gender earnings gaps, were carried out by economists and were mostly concerned with the impact of individual-level characteristics, such as education and experience. Sociologists, on the other hand, have attended to the important role of occupational attributes in generating economic inequality between workers in general (e.g. Weeden, 2002), but in reference to the gender gap the emphasis is averted to occupational segregation (e.g. Petersen and Morgan, 1995; Tomaskovic-Devey and Skaggs, 2002). In other words, sociologists highlight the unequal distribution of men and women across occupations as the primary cause of women's economic inferiority, while economists highlight individual-level characteristics as the primary factors affecting trends in gender pay gaps. Almost no attention is devoted to the effect of occupational attributes on gender pay inequality and its trend over time.

One reason for this neglect may lie in the affinity between individual and occupational attributes. Most occupational attributes that affect pay inequality—such as skill requirements, training time, or educational credentials—are attributed to individual workers, and therefore measured at the individual level. There is thus a great deal of similarity between individual and occupational attributes, since occupations largely reflect the education and training levels of their incumbents. However, sociologists have long argued, and demonstrated, that social structures—first and foremost occupations—contribute significantly to the formation of inequality, above and beyond the effect of individual attributes (Freidson, 1986; Mouw and Kalleberg, 2010; Weeden, 2002). If occupational attributes are merely the aggregate attributes of individual incumbents, then

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they are not expected to affect gender earnings gaps after the individual attributes of men and women, as well as occupational gender segregation, are accounted for. But if they are not, then the effect of occupational attributes on gender pay gaps is expected to persist even after individual-level factors are controlled for.

In this paper, I aim to turn the spotlight on occupational effects, above and beyond their well-known distributive effect on the gender pay gaps. I intend to examine the effect of occupational attributes on the gender earnings gap after controlling for individual characteristics and for occupational segregation, and to compare the net effect in each of the five decades from 1970 to 2010.

Apart from the empirical contribution of this analysis, it also has non-trivial theoretical implications. This is because the mechanisms by which occupational attributes affect gender pay gaps within occupations are very different from the mechanisms by which they affect gender inequality in general. For example, the theory of social closure refers to occupational attributes—such as educational credentialing or training time—as criteria of cluster that justify the collective economic advantage of certain groups of workers (Weeden, 2002). However, while social closure, as a restrictive mechanism, increases economic differentials between (gender) groups, it is expected to benefit, on average, every member with the required criteria, men and women alike. Thus, social closure explains inequality between, but not within, occupations. Likewise, occupations with unpleasant physical working conditions, which are male-dominated, and which according to the “compensating differentials” hypothesis should compensate workers with high economic rewards (Filer, 1985), may decrease, rather than increase, the gender pay gap, as these conditions may reduce the supply of workers, thus increasing the rewards of men and women who do work in these occupations. The gender composition of occupation, in contrast, while affecting occupational pay by the mechanism of devaluation (England et al., 2007; England, 1992), is not expected to affect the pay gap within occupations, as the devaluation of an occupation reduces the pay of all workers in it, men and women alike (Budig, 2002).

The contributions of the paper to the sociological literature on gender inequality can be summarized as follow: First, as mentioned above, the literature on gender earnings gaps usually focus on the impact of individual-level characteristics. The first question is, therefore, whether occupational attributes are merely the aggregate attributes of their incumbents. The empirical test would be to measure the effect of occupational attributes after controlling for individual-level factors. Second, as also noted, the most important and examined effect of occupations on the gender pay gap is the effect of gender segregation. Social closure mechanisms, public sector employment, and devaluation, are all related to the gender pay gaps by the unequal distribution of men and women across occupations. Mandel and Semyonov (2014) have shown that although the gender pay gaps have substantially narrowed in the last half century in the U.S. labor market, the effect of occupational segregation on the gap has grown and become one of the most dominant factors accounting for the gender pay gap. The second question is, therefore, whether occupations affect the gender pay gap above and beyond occupational segregation. The third contribution lies in the paper's long-term framework. The analysis deals with the long-term effects of occupations on gender pay gaps—a comparison that has yet to be made. As noted, although the fluctuations in the gender pay gap over time have received much scholarly attention, no attention has been devoted to the changing effect of occupational attributes on this gap. Such an examination might also reveal more about the ‘gender revolution’ and its stagnation (England, 2010), by pointing to possible changes in the occupational structure and their implications for the gender pay gaps. Lastly, the empirical questions raised above have significant theoretical implications. By focusing on the effect of occupational—rather than individual—attributes on gender pay gaps, the findings of this study may validate the sociological contention that social structures in general, and occupations in particular, are important factors in the formation of inequality, above and beyond the aggregate impact of individual behavior.

2. Theoretical considerations

2.1. Trends in gender wage gaps in recent decades; evidence from previous research

Over the second half of the twentieth century, gender wage gaps declined in the U.S., a phenomenon that stood in sharp contrast to the rise in overall wage differentials (Blau and Kahn, 1997; England, 2006; Mandel and Semyonov 2014; McCall, 2001). In an era of widening wage differentials between workers, the decline in wage gaps between men and women was a noticeable exception, and thus has attracted much scholarly attention. The expansion of education and skills has been a dominant factor driving the decrease in gender earnings gaps. During the 1970s alone, the share of young women with a college degree grew rapidly, outstripping the increase among men, and by 1980 women's share exceeded that of men (Cotter et al., 2004; Morris and Western, 1999). In parallel to this trend, the premium for education rose considerably, especially during the 1980s and 1990s. So although the rising premium for education could have contributed to the expansion of earnings inequality between the gender groups, it actually had the opposite effect (Blau and Kahn, 1997, 1999; Juhn et al., 1993; Katz and Autor, 1999), and even benefited women more than men due to women's growing qualification levels (Goldin, 1990; Morris and Western, 1999; Welch, 2000).

While women's rising qualifications are one factor, a considerable portion of the decline in gender earnings gaps is attributed to unobserved characteristics and gender-based discrimination (Blau and Kahn, 2006b; Mandel and Semyonov 2014). For example, at least part of the decline can be attributed to employers' decreased incentives, as well as increased disincentives, to discriminate against women in hiring and pay. The former is due to the convergence in work-related characteristics between men and women, which made statistical discrimination against women less rational (Goldin, 2002); the latter is due to organizational response to antidiscrimination legislation—especially the adoption of EEO

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