Chapter 4 Glass Ceilings in Portugal? An Analysis of the Gender Wage Gap Using a Quantile Regression Approach

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ABSTRACT

Despite the evidence of female progress with regard to women's role in the labor market, gender inequality remains. Women are still less likely to be employed than men, occupational gender segregation continues, and females continue to earn less than males. The gender wage gap remains wide in several occupational sectors, among which is the information technology (IT) sector. This paper focuses the determinants of gender wage inequality. More precisely, it investigates for statistical evidence of a glass ceiling effect on women's wages. Based on the quantile regression framework, the empirical analysis extends the decomposition of the average gender wage gap to other parts of the earnings distribution. The main objective is to empirically test whether gender-based wage discrimination is greater among high paid employees, in line with glass ceiling hypothesis. Larger unexplained gaps at the top of the wage distribution indicate the existence of a glass ceiling effect in Portugal.

INTRODUCTION

Gender equality has been a constant concern of national and supranational governments since the latter half of the twentieth century. Viewed as an essential right of all working citizens and an elementary condition for economic, social, and cultural progress, public authorities and academia alike have kept this subject under close scrutiny, making it a point to gather and monitor data on the differences between men and women in all aspects of societal life. This field of study has become a fertile ground for research given the profound effects gender equality, or lack of, may have on economic growth, employment, and social cohesion.

The achievement of gender equality has become a central topic on the policy agenda of the European Union. Implemented in the late 1990s, the European Employment Strategy (EES) brought about a renewed interest in the equality between men and women in the European Union. Two particular aspects of the equality agenda are employment and wages. In the year 2000, the Lisbon Strategy defined increased female participation in the labor force, reduction of unequal access to job opportunities, and equal pay as the top priorities to be achieved in Europe by 2010. More recently, the European Commission defined the strategy of equal economic independence as one of the six priority areas of intervention for the period 2006-2010.

As the year 2010 is approaching, statistics show that the overall employment gender gap in the European Union has been decreasing, as more women have improved their academic and professional qualifications and have actively pursued working careers. General economic conditions and various measures promoting female employment, such as policies fostering better childcare facilities and more flexible working time arrangements, have contributed to women's progress. Also as a result of the gender equality movement, statistics reveal that wage differentials between men and women have decreased in many member states.

Gender equality has also been on the political agenda of Portuguese governments over the past thirty years, and it is regarded as a fundamental element of the development of society and the improvement of the quality of democracy. The country's Constitution of 1976 promoted gender equality as one of its fundamental principles, ensuring women's full legal equality. From the late 1970s onwards, national legal commissions have been set up to promote equal employment opportunities, and national legislation has been passed in order to foster gender equality. These factors have contributed to the improvement of the position of women in the Portuguese society. Female labor market participation in Portugal ranks among the highest within the European Union. Additionally, statistics reveal an upward trend in women's qualifications as a result of greater levels of tertiary education and a larger portion of women occupying jobs that require higher skills.

Despite the evidence of female progress with regard to their role in the labor market, gender inequality remains. Women have not yet attained full social and economic equality, and their productivity potential is not used at its best. Although women represent an important economic resource for the improvement of society, their role continues underdeveloped. Women are still less likely to be employed than men, and occupational gender segregation continues, with women underrepresented in positions that require higher qualifications and overrepresented in jobs that are traditionally labeled as female jobs. Furthermore, women continue to earn less than their male counterparts. Statistics show that economies across the European Union are still characterized by important wage disparities between men and women. The gender wage gap remains wide with regard to several occupational sectors, among which is the information technology (IT) sector.1 Male professionals in this sector continue to receive higher salaries, bonuses and raises than their female colleagues. In most developed European countries, women in scientific and technological professions receive substantially lower pay than men.

Why do women earn lower wages than men? There are several empirical studies that investigate the size and components of the average wage gap in Portugal (e.g., Kiker & Santos, 1991; Vieira et al., 2005; Vieira & Pereira, 1993). A key issue in these studies is whether or not the observed wage differentials result from wage discrimination against female employees. In general, the studies conclude that gender-based wage discrimination 16 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

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