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The Public Sector Premium and the Gender Gap in Latin America: Evidence for the 1980s and 1990s

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Abstract

This paper exploits a rich collection of household surveys to investigate the wage differential between the public and private sectors in 17 Latin American countries during the 1980s and 1990s. The paper also studies how the sector of employment affects the gender wage gap. The paper finds very small premia for male workers and large and significant premia for female workers. The paper also finds that, on average, Latin American women earn 30 percent less than men with similar skills and that approximately one third of this gender gap results from lack of access to formal sector employment.

JEL Codes: H50, J45

Keywords: Public Sector Labor Market, Wage Gender Gap, Latin America

1. Introduction

The purpose of this paper is to document, and make available to researchers, the evidence on public versus private sector pay differentials and the wage-gender gap in Latin America. Wage differentials between the public and private sectors and gender gaps are estimated using data from 61 household survey, covering 17 Latin American countries over the 1981-1998 period. For each survey, the paper estimates public sector premia for men and women, gender gaps in the public and private sectors, and the differential in discrimination between the two sectors.

While the paper only reports country averages and, when relevant, discusses the within-country time evolution of the variable of interest, the full data set is available to researchers interested in performing in-depth country studies.¹ Hopefully, the availability of such a data set will stimulate research aimed at answering what are the causes and consequences of the public/private wage differential and gender gap observed in the data. In particular, one interesting avenue of research would be the study of the relationship between public sector wages and the performance of the public sector (Van Rijckeghem and Weder, 1997 and Wei, 2000).

This paper relates to two strands of literature in labor economics. The first is the literature on earning differentials between male and female workers, and the second is the literature that studies public versus private pay differentials. While it is well documented that, both in OECD and developing countries, women earn wages that are significantly lower than the wages earned by males with similar skills (Goldin, 1990, Blau and Kahn, 1996, and Psacharopoulos and Tzannatos, 1992), studies comparing the earnings of public and private sector employees are often limited to OECD countries (Gregory and Borland, 1999 is an excellent survey). To the best of my knowledge, the only studies of developing countries are those of Tanzania (Lindauer and Sabot, 1983), Chile (Corbo and Stelcner, 1983), Haiti (Terrell, 1993), Costa Rica (Gindling, 1991), and Ivory Coast (Van der Gaag and Vijverberg 1988).

¹ The data-set can be downloaded from: <http://www.iadb.org/OCE/publications.htm>.

The main findings of this paper are that, in most Latin American countries, there are not large differences between the wages of male workers employed in the public and private sectors. However, the paper finds that the public sector pays a significant premium to female workers (especially to those with low skills). As for the gender gap, the paper finds that Latin American women working in the private sector earn 30 percent less than men with similar skills and that approximately one third of this gender gap is due to lack of access to the formal sector.

The paper is organized as follows: Section 2 describes the data. Section 3 discusses the methodology used to estimate the public sector premium and gender gap. Section 4 presents the results. Section 5 concludes and suggests how the data-set developed in this paper could be used to study the determinants and consequence of public-private pay differentials.

2. The Data

While several developing countries have good household surveys, different methodologies in data collection and different definition of the variables make cross-country comparisons extremely difficult. In this work, I use household surveys for 17 Latin American and Caribbean countries that have uniform coding in their questions on human capital investment and labor market participation. For some countries (Guatemala, Mexico, and Nicaragua), I was only able to find one survey where it was possible to identify workers employed in the public sector. For several other countries, I was able to use several surveys that cover the 1980s and 1990s. Table 1 reports the countries studied in this paper and the years in which the surveys were collected.

Table 1: Surveys used in the paper

Country	Year
Bolivia	1990, 1993, 1996, 1997
Brazil	1992, 1993, 1995, 1996, 1997,
Chile	1987, 1996
Colombia	1990, 1991, 1993, 1997, 1998, 1999
Costa Rica	1983, 1985, 1987, 1991, 1993, 1995, 1997
Ecuador	1995, 1998
El Salvador	1995, 1997, 1998
Guatemala	1998
Honduras	1989, 1992, 1996, 1997, 1998
Mexico	1994
Nicaragua	1993
Panama	1979, 1991, 1995, 1997
Paraguay	1995, 1998
Peru	1985, 1991, 1994, 1996, 1997
Rep. Dominicana	1996
Uruguay	1981, 1989, 1992, 1995, 1997
Venezuela	1981, 1983, 1986, 1989, 1993, 1995, 1997

Before discussing the empirical strategy, I briefly describe the composition of employment in the 17 Latin American countries studied in this paper. I start by calculating the share of workers employed in the public sector.²

The Latin American averages are reported in Table 2, and detailed data are reported in Table A1 in the Appendix.³ While, on average, 16 percent of employed people work for the public sector, more than 30 percent of the workers with high education are employed in the public sector.⁴ The second part of Table 2 shows that 40 percent of men who work in the formal sector and 60 percent of women who work in the formal sector are employed by the public sector, with the public sector absorbing close to 60 percent of the workers with high school or university degrees.

² To mitigate selection bias due to school attendance, I only use individuals aged 20 to 65. In order to avoid outliers due to mistakes in data entry, I ranked workers according to their wages and dropped the top and bottom 0.5 percent of the sample. Another possible problem with the data is that not all the household surveys report hourly income in the primary job. Therefore, I run the wage regressions using the hourly wage in all jobs (the value differs from the hourly income in primary job for individuals who moonlight). Panizza and Qiang (2000) show that there are no substantial differences in using the two definitions of wage.

³ Table 2 reports simple averages (not weighted by country's population).

⁴ Given the fact that my sample consists of middle income countries, I define high education as having completed secondary school.

**Table 2: Composition of employment in Latin America:
Percentage of workers employed in the public sector**

All Workers							
	All Workers	All workers	Men High education	Low education	All workers	Women High education	Low education
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All years	15.5	15.1	28.2	7	16.1	39.2	4.2
1995-1999	11.9	10.6	25.7	3.7	14.1	36.6	3.7
Only Formal Sector Workers							
	All Workers	All workers	Men High education	Low education	All workers	Women High education	Low education
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All years	45.6	39.5	51.3	25.6	59.6	66.2	40.7
1995-1999	37.2	30.7	44.3	15.7	52.4	60.5	32.6

Table A1 shows that the 17 countries studied in this paper are far from being homogeneous. While Colombia, Guatemala, Chile, Paraguay, Honduras, and Ecuador tend to have small public sectors, Venezuela, Costa Rica, Nicaragua, Panama, and Uruguay have large public sectors (often more than 20 percent of the workers are employed in the public sector).

Although within-country variation seems to be less important than cross-country variation, in many countries we observe a dramatic reduction of the share of workers employed in the public sector. The most extreme case is Panama, where the share of public sector workers dropped from 39 percent in 1979 to 22 percent in 1997.⁵ Other countries that experienced dramatic reduction in the share of public sector workers are Bolivia (from 21 percent in 1990 to 12 percent in 1997), Costa Rica (from 24 percent in 1983 to 16 percent in 1997), Honduras (from 13 percent in 1989 to 9 percent in 1998), and Venezuela (from 23 percent in 1981 to 16 percent in 1997).

3. Methodology

In this paper, I measure wage differentials between public and private sectors and between male and female workers using a standard dummy variable approach. This approach consists of modeling the effect of sector (or gender) as an “intercept” effect while returns

to other productivity-related characteristics and job attributes are restricted to be equal across sectors or genders. Formally, I estimate the public sector premium and the gender gap using the following specifications:

$$\mathbf{w}_i = X_i \mathbf{b} + P_i g + u_i, \quad (1)$$

$$\mathbf{w}_i = X_i \mathbf{b} + S_i \mathbf{g} + v_i. \quad (2)$$

Where \mathbf{w}_i is the log of hourly earnings, X_i a vector of productivity-related characteristics,⁶ P_i is a dummy that takes value 1 when the employee works for the public sector and S_i is a dummy that takes a value 1 for female workers. Within the specifications of Equations (1) and (2), g measures the public sector premium and \mathbf{g} the gender gap. I estimate Equation (1) separately for men and women and Equation (2) separately for the public and private sectors. As the public sector premium and gender gap may not be constant for different level of skills, I also estimate separate equations for workers with high and low levels of education.

As I find that the public and private sectors tend to have different gender gaps (in most countries the gender gap is lower in the public sector), I also compute the gender gap differential by estimating the following equation:

$$\mathbf{w}_i = X_i \mathbf{b} + P_i g + S_i \mathbf{g} + (P_i S_i) \mathbf{I} + e_i \quad (3)$$

where \mathbf{w}_i , X_i , P_i , and S_i are defined as in Equations (1) and (2) and $P_i S_i$ is the interaction between P_i and S_i . Within this specification, $\mathbf{I} = ((\mathbf{w}_{man}^{pri} - \mathbf{w}_{woman}^{pri}) - (\mathbf{w}_{man}^{pub} - \mathbf{w}_{woman}^{pub}))$ can be interpreted as the differential between the gender gap of the private and public sectors

⁵ This dramatic reduction of the share of public sector workers was probably due to the privatization process. Unfortunately, the available data do not allow testing this hypothesis.

⁶ I include the following controls: experience (defined as age – years of education – 6), experience squared, 5 education dummies (some primary school, completed primary school, some secondary school, completed secondary school, more than secondary school. No schooling is the excluded dummy), 8 dummies for the sector of occupation (mining, manufacture, construction, water and electricity, retail, restaurant and hotel, transport and telecommunications, financial services, and other services), and a dummy for the area of residence (differentiating urban and rural areas).

or as the differential in discrimination between the two sectors. As before, I estimate Equation (3) for all workers and for workers with high and low education separately.

There are two possible problems with the estimation of Equations (1), (2), and (3). First of all, they assume that men and women employed in the public and private sectors have the same structure of returns (i.e., the vector b is the same for public and private sector workers and the vector \mathbf{b} is the same for men and women). Panizza and Qiang (2000) address this issue by estimating the public sector premium and gender gap using both the dummy variable approach and the Oaxaca (1973) decomposition and find that the different methods yield similar results.

A more serious problem in the estimation of Equations (1) and (2) is that the decision to participate in the labor market and the sorting of workers between public and private sectors are likely to be non-random. Van der Gaag and Vijverberg (1988) show that selection bias is an important issue in the estimation of public-private wage differentials. In particular, they find that controlling for selection bias lowers the estimated size of the public sector premium and in some cases leads to the finding that public sector workers are paid less than their private sector counterparts. In the presence of non-random selection between the public and private sectors one should perform maximum likelihood estimations of the following switching regression model:

$$I_i = \alpha(\mathbf{w}_{pub,i} - \mathbf{w}_{pri,i}) + Z_i B + \mathbf{e}_i \quad (4)$$

$$\mathbf{w}_{pub,i} = X_i \mathbf{b}_{pub} + \mathbf{u}_{pub,i} \quad (5)$$

$$\mathbf{w}_{pri,i} = X_i \mathbf{b}_{pri} + \mathbf{u}_{pri,i} \quad (6)$$

Where I_i is a latent variable that determines the sector of employment of individual i , when $I_i > 0$ the individual is selected in the public sector otherwise in the private sector. $\mathbf{w}_{pub,i}$ and $\mathbf{w}_{pri,i}$ are log wages in the public and private sectors, Z is a vector of characteristics that are associated with the probability of obtaining a job in the public sector, and X is a vector of productivity-related characteristics. The main problem with the estimations of the above model is identification. In particular, it is very difficult to find a set of variables that affect the probability of obtaining a public sector job but do not affect productivity (i.e., a set of variables to be included in Z but not in X). Without reasonable restrictions,

the above system would only be identified by the non-linearity of Equation (4). However, since there are no clear theoretical reasons on why one should use a particular functional form, the cure might be worse than the disease because, as pointed out by Manski (1989), small mis-specifications in the selection equation could generate large biases in the estimates of the coefficients of interest. Panizza and Qiang (2000) deal with the selection problem by running a sensitivity analysis that assumes different values for the selectivity bias. Their main finding is that, in most Latin American countries, OLS estimations are rather robust to a large range of values for the selectivity bias and find that the OLS coefficients switch sign only when one assumes perfect selection in the public sector and no selection in the private sector.⁷ I am therefore confident that OLS estimations of Equations (1), (2), and (3) will yield a fairly accurate measure of the public/private wage differential and gender gap in Latin America.

4. Results

All in all, I estimate 27 regressions for each survey. As reporting the whole set of results would require more than 20 pages of tables, I only report country summaries and make the whole data-set available on line (it can be downloaded from: <http://www.iadb.org/OCE/publications.htm>). In this section, I discuss the main results and summarize the data. Table 3 reports the average values for the whole sample and for the 1995-1999 period. Country summaries are reported in the Appendix (Tables A2-A4).

⁷ Perfect selection in the public sector and no selection in the private sector would imply that all those employed in the public sector perform better in that sector than any random individual from the sample and that all the workers employed in the private sector do not do better or worse than any random individual.

Table 3: Public sector premium and gender gap in Latin America

	All Workers			Formal Sector Workers		
	All workers	High education	Low education	All workers	High education	Low education
Public sector premium, men						
All years	0.024	-0.004	0.044	0.002	-0.011	0.010
1995-1999	0.020	0.000	0.039	-0.015	-0.019	-0.016
Public sector premium, women						
All years	0.228	0.088	0.316	0.086	0.026	0.141
1995-1999	0.207	0.085	0.283	0.060	0.005	0.111
Gender gap in the private sector						
All years	-0.290	-0.194	-0.324	-0.186	-0.135	-0.214
1995-1999	-0.283	-0.192	-0.318	-0.175	-0.128	-0.207
Gender gap in the public sector						
All years				-0.103	-0.087	-0.109
1995-1999				-0.109	-0.079	-0.115
Differential in discrimination						
All years	0.176	0.114	0.199	0.073	0.063	0.082
1995-1999	0.168	0.113	0.179	0.062	0.058	0.060

4.1 Public Sector Premium

On average, the data indicate a small public sector premium for male workers (2 percent for the whole sample and 4 percent when only low skilled workers are considered) which is completely due to the fact that a large share of private sector workers are employed in the informal sector. In fact, when only formal sector workers are analyzed, the public premium completely disappears. The premium is much higher for women, ranging from 9 to 32 percent. Although the premium decreases substantially when informal sector workers are dropped from the sample, contrary to the case for men, it remains fairly high, ranging from 3 to 14 percent.

While Table 3 gives a good bird's-eye view of regional averages, it masks the heterogeneity of the 17 countries studied in this paper. Table A2 in the Appendix illustrates that there are large cross-country differences. In particular, while Bolivia and the Dominican Republic have large public sector penalties (as high as 40 percent), Costa Rica, Colombia, Ecuador, and El Salvador have large public sector premia for both men and women. As in the case of Table 3, Table A2 suggests that the premia are often higher for women and for workers with low education.

Figures 1 and 2 compare the evolution of the public sector premium (solid line, right scale) and public sector employment (line with diamonds, right scale) in selected countries over the 1990s. The figures show that during the last decade some countries (Bolivia, Brazil, Costa Rica, and Honduras) made a clear effort to reduce the size of the public sector by cutting both public sector wages and public sector employment. In Panama and Venezuela, instead, we observe a reduction of public sector employment accompanied by an increase in public sector wages and in Uruguay we observe an increase of public sector employment accompanied by a decrease of the relative remuneration of public sector workers.

4.2 Gender Gap

Table 3 shows that, on average, Latin American women who are employed in the private sector earn 30 percent less than male workers with similar skills. This is similar to what was found, for the 1980s, by Psacharopoulos and Tzannatos (1992). Table 3 also shows that the gender gap drops by more than ten percentage points when only formal sector workers are considered. This indicates that approximately one third of the gender gap is explained by lack of access to formal sector jobs. The public sector gender gap is approximately 10 percent, 20 percentage points lower than the private sector gender gap. Furthermore, while the public sector gender gap is fairly homogenous across education levels, in the private sector the gender gap is significantly higher (approximately 8 percentage points) when we only consider low-skilled workers.

Table A3 shows that there are not large cross-country differences in the private sector gender gaps. In fact, almost all countries (the exception is Nicaragua) have a high and significant gender gap, ranging from 20 (Colombia) to 43 percent (Honduras). The situation is different when we look at the public sector. Here, I find high (up to 36 percent) and significant gender gaps for Bolivia, Brazil, Costa Rica, Chile, Colombia, Panama, Uruguay, and Venezuela but no significant gender gap for the other eight countries studied in this paper. Interestingly, the lack of a gender gap in the public sector seems to be a Central American phenomenon. El Salvador, Guatemala, Honduras,

Nicaragua, and Dominican Republic are five of the eight countries that do not have a significant public sector gender gap (the other three are Mexico, Paraguay, and Peru).

Figures 3, 4, and 5 show the evolution of the gender gap in the public and private sectors over the 1990s for workers with high (solid line) and low education (line with diamonds). They show that, for both sectors, the gender gap is often larger for workers with low levels of education and that there is not a well defined trend towards lower gender gaps.

4.3 Differential in Discrimination

The last two rows of Table 3 report the differential in discrimination, i.e., the difference between the private and public sector gender gaps obtained by estimating Equation (3). The table suggests that, on average, female workers employed in the private sector suffer a gender gap that is 17 percentage points higher than the public sector gender gap. More than half of this differential is explained by lack of access to the formal sector. In fact, if the sample is restricted to formal sector workers, the differential in discrimination drops by 10 percentage points to approximately 7 percent. Also in this case there is a large cross-country variation. Table A4 shows that the differential in discrimination ranges from almost 50 percent (Guatemala, Honduras, and Dominican Republic) to minus 8 percent (Brazil). However, the differential is positive in 14 (significant in 12) out of 17 countries indicating that in most countries (the exceptions are Brazil, Nicaragua, and Venezuela) the gender gap is significantly higher in the private sector. Like Table 3, the last three columns of Table A4 suggests that most of the discrimination occurs through lack of access to formal sector jobs.

5. Conclusions

The purpose of this paper was to build a data set measuring gender gaps and earning differentials between public and private sector workers. For this purpose, I used a large set of household surveys that cover 17 Latin American countries over the 1980-1998 period. I find that, in most countries, the public sector pays considerable premia to low skilled female workers, and that, in the majority of the countries, highly skilled male

workers suffer a public sector penalty. As for the gender gap, I find that, on average, Latin American women working in the private sector earn 30 percent less than their male counterparts. The finding that the gender gap for formal sector workers is close to 20 percent suggests that approximately one third of the Latin American gender gap is explained by lack of access to the formal sector.

Besides describing the pattern and evolution of public sector premia and gender gaps in Latin America, the main purpose of this paper was to make available to researchers interested in this field the largest possible data-set on public-private pay differentials and gender gaps in Latin America. I hope that the availability of such data set will stimulate research on the causes and determinants of public-private pay differentials. One interesting avenue of research that I intend to pursue in future work is the study of the links between public sector remuneration and efficiency of the public sector. Other interesting topics include the study of how fiscal variables affect public sector wages, and the study of the regional composition of public sector employment. Alesina *et al.* (1999), for instance, find that in Italy public sector employment is the main avenue of redistribution from the richer North to the poorer South.

With regards to the gender gap, it would be interesting to study what are the links between gender gap and overall inequality. In an influential paper, Blau and Kahn (1996) report that a considerable amount of cross-national variation in gender gaps is explained by overall earnings inequality. Thus, any public policies and programs that help in narrowing the overall earnings distribution may also improve the relative standing of women.

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Figure 1: Public sector premium and public sector employment in selected countries. Male workers

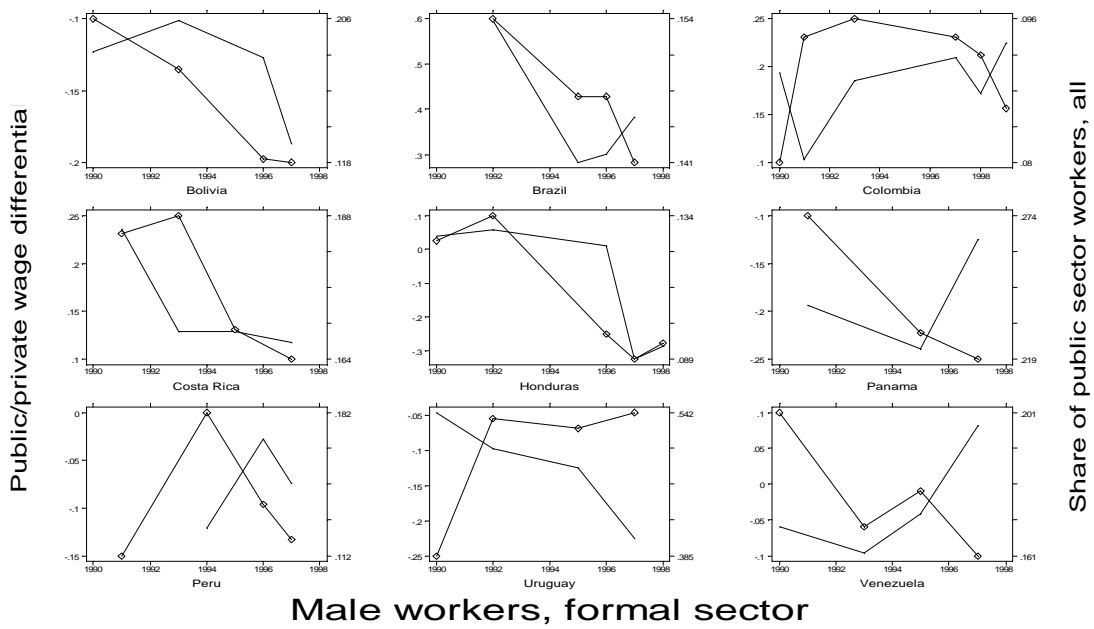


Figure 2: Public sector premium and public sector employment in selected countries. Female workers

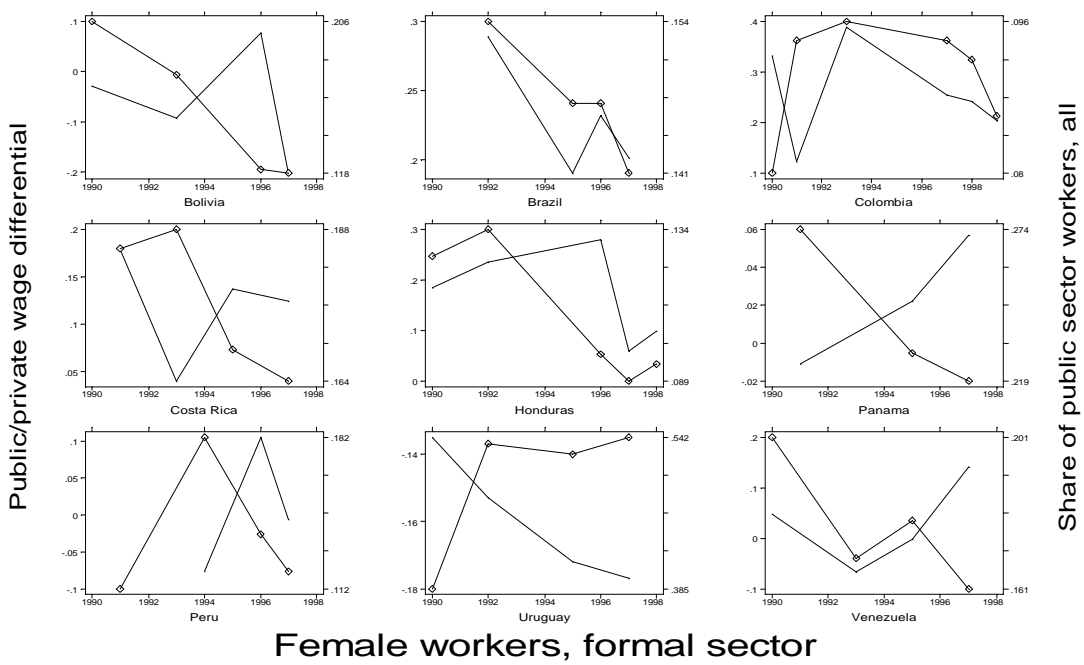


Figure 3: Gender Gap in selected countries. Public sector workers

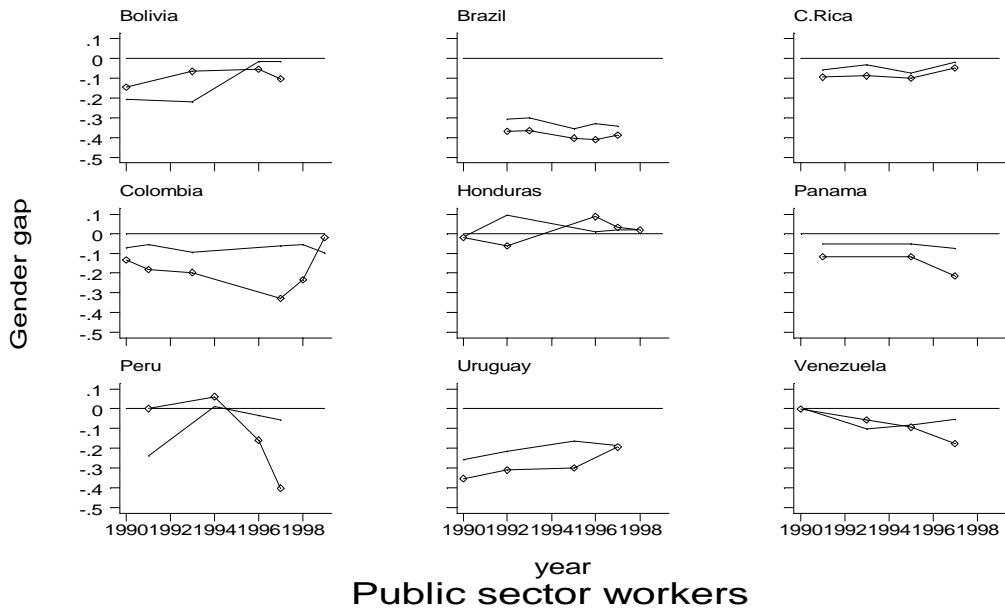


Figure 4: Gender Gap in selected countries. Private sector workers

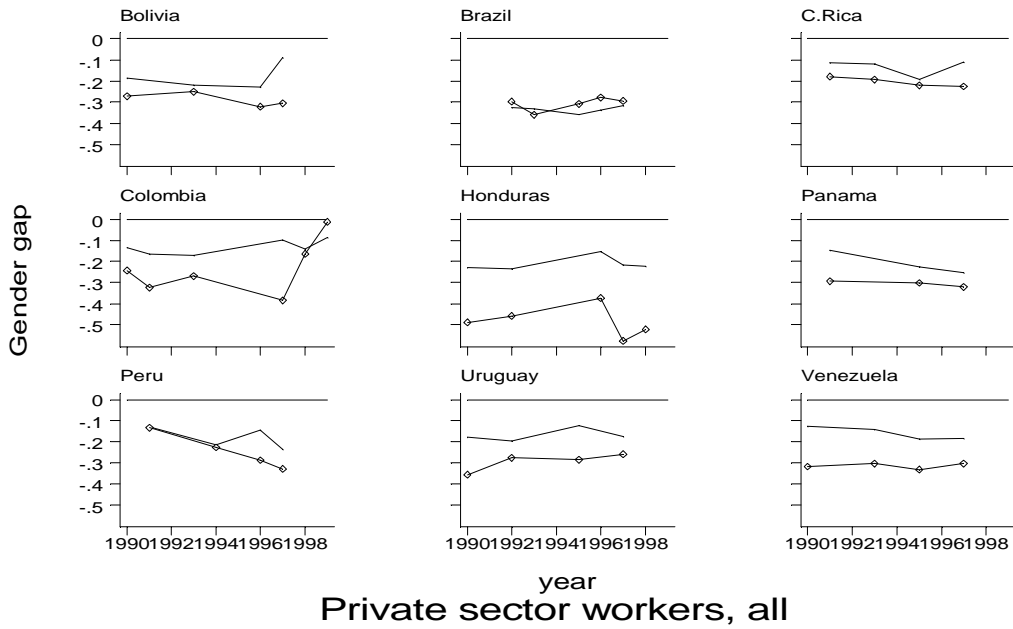
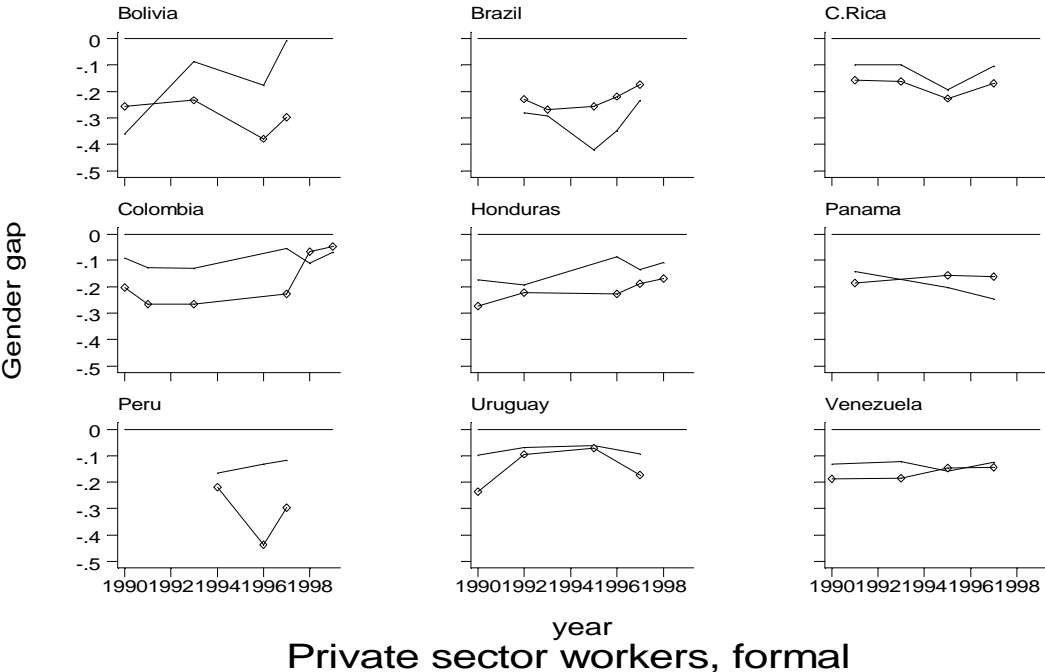


Figure 5: Gender Gap in selected countries. Private sector workers (formal)



Appendix

Table A1: Percentage of Workers employed in the public sector

Country	year	All Workers							Formal Sector Workers						
		All	Men			Women			All	Men			Women		
		Emp.	All men	High educ.	Low educ.	All wom.	High educ.	Low educ.	Emp.	All men	High educ.	Low educ.	All wom.	High educ.	Low educ.
Bolivia	90	0.206	0.219	0.356	0.128	0.186	0.461	0.064	0.641	0.591	0.728	0.438	0.758	0.820	0.612
Bolivia	93	0.175	0.174	0.260	0.092	0.176	0.373	0.030	0.440	0.376	0.439	0.270	0.579	0.620	0.363
Bolivia	96	0.120	0.110	0.273	0.042	0.138	0.371	0.041	0.403	0.343	0.477	0.196	0.539	0.627	0.355
Bolivia	97	0.118	0.103	0.240	0.032	0.146	0.363	0.033	0.341	0.271	0.409	0.118	0.510	0.583	0.297
Brazil	92	0.154	0.114	0.263	0.077	0.229	0.458	0.122	0.437	0.384	0.802	0.267	0.499	0.878	0.283
Brazil	93	0.160	0.118	0.268	0.080	0.235	0.453	0.129	0.443	0.394	0.791	0.276	0.500	0.869	0.290
Brazil	95	0.147	0.107	0.252	0.068	0.217	0.418	0.114	0.422	0.372	0.774	0.246	0.477	0.844	0.262
Brazil	96	0.147	0.106	0.245	0.066	0.218	0.401	0.116	0.415	0.361	0.745	0.233	0.473	0.818	0.262
Brazil	97	0.141	0.102	0.236	0.062	0.210	0.380	0.109	0.404	0.353	0.734	0.222	0.461	0.810	0.243
Chile	87	0.096	0.074	0.131	0.048	0.145	0.244	0.063	0.133	0.107	0.170	0.074	0.185	0.279	0.089
Chile	96	0.087	0.067	0.105	0.037	0.125	0.192	0.044	0.152	0.110	0.148	0.070	0.243	0.278	0.147
Colombia	90	0.080	0.073	0.127	0.034	0.090	0.155	0.028	0.119	0.115	0.183	0.056	0.125	0.196	0.043
Colombia	91	0.094	0.075	0.188	0.036	0.129	0.229	0.073	0.142	0.115	0.258	0.058	0.191	0.273	0.126
Colombia	93	0.096	0.089	0.157	0.047	0.106	0.181	0.043	0.143	0.139	0.224	0.078	0.147	0.225	0.067
Colombia	97	0.094	0.070	0.173	0.023	0.134	0.231	0.057	0.152	0.118	0.253	0.041	0.208	0.295	0.106
Colombia	98	0.092	0.069	0.168	0.022	0.130	0.226	0.053	0.153	0.117	0.247	0.040	0.210	0.291	0.107
Colombia	99	0.086	0.084	0.138	0.030	0.090	0.146	0.020	0.133	0.135	0.199	0.054	0.131	0.190	0.035
Costa Rica	83	0.236	0.207	0.439	0.140	0.318	0.574	0.153	0.419	0.376	0.555	0.290	0.534	0.691	0.345
Costa Rica	85	0.235	0.201	0.410	0.132	0.324	0.543	0.134	0.410	0.361	0.547	0.269	0.523	0.652	0.310
Costa Rica	87	0.203	0.171	0.377	0.109	0.282	0.526	0.120	0.320	0.276	0.623	0.175	0.420	0.761	0.182
Costa Rica	91	0.185	0.164	0.354	0.108	0.232	0.490	0.072	0.329	0.288	0.470	0.210	0.426	0.636	0.178
Costa Rica	93	0.188	0.162	0.324	0.106	0.247	0.476	0.073	0.324	0.274	0.429	0.199	0.441	0.625	0.180
Costa Rica	95	0.169	0.143	0.338	0.072	0.227	0.451	0.065	0.291	0.247	0.452	0.138	0.392	0.589	0.147
Costa Rica	97	0.164	0.126	0.306	0.065	0.245	0.493	0.064	0.299	0.231	0.427	0.134	0.443	0.614	0.174
Ecuador	95	0.108	0.102	0.237	0.053	0.117	0.274	0.028	0.263	0.227	0.362	0.140	0.347	0.425	0.174
Ecuador	98	0.098	0.089	0.214	0.036	0.113	0.255	0.029	0.236	0.198	0.334	0.097	0.320	0.405	0.152
Guatemala	98	0.062	0.059	0.228	0.035	0.068	0.288	0.024	0.166	0.139	0.377	0.087	0.236	0.413	0.115
Honduras	89	0.126	0.105	0.397	0.068	0.176	0.535	0.067	0.339	0.280	0.493	0.212	0.491	0.616	0.329
Honduras	92	0.134	0.105	0.356	0.055	0.194	0.521	0.068	0.301	0.232	0.446	0.145	0.441	0.611	0.243
Honduras	96	0.097	0.074	0.262	0.038	0.139	0.415	0.039	0.249	0.191	0.359	0.116	0.359	0.518	0.166
Honduras	97	0.089	0.066	0.237	0.034	0.129	0.367	0.043	0.230	0.173	0.334	0.107	0.324	0.465	0.166
Honduras	98	0.094	0.069	0.258	0.030	0.135	0.385	0.042	0.227	0.166	0.341	0.086	0.332	0.485	0.161
Mexico	94	0.146	0.122	0.271	0.078	0.200	0.446	0.070	0.354	0.303	0.415	0.237	0.457	0.570	0.274
Nicaragua	93	0.201	0.177	0.401	0.135	0.239	0.571	0.143	0.496	0.404	0.563	0.348	0.673	0.791	0.575
Panama	79	0.394	0.334	0.468	0.281	0.494	0.606	0.399							
Panama	91	0.274	0.229	0.312	0.177	0.347	0.478	0.191	0.408	0.339	0.396	0.292	0.524	0.561	0.438
Panama	95	0.229	0.186	0.278	0.122	0.307	0.434	0.137	0.362	0.294	0.361	0.227	0.481	0.515	0.376
Panama	97	0.219	0.178	0.251	0.125	0.286	0.400	0.133	0.348	0.281	0.333	0.228	0.459	0.481	0.387
Paraguay	98	0.041	0.032	0.252	0.013	0.070	0.265	0.007	0.246	0.228	0.498	0.117	0.281	0.391	0.061
Paraguay	95	0.087	0.076	0.244	0.035	0.107	0.319	0.029	0.306	0.242	0.402	0.144	0.456	0.539	0.283
Peru	85	0.153	0.170	0.309	0.079	0.124	0.324	0.026	0.436	0.416	0.526	0.271	0.494	0.551	0.302

Peru	91	0.182	0.191	0.279	0.071	0.167	0.268	0.042								
Peru	94	0.137	0.128	0.202	0.049	0.154	0.282	0.022	0.358	0.311	0.377	0.176	0.456	0.517	0.174	
Peru	85	0.112	0.109	0.188	0.033	0.116	0.237	0.007	0.287	0.251	0.338	0.103	0.376	0.478	0.047	
Peru	97	0.120	0.115	0.185	0.036	0.128	0.228	0.023	0.320	0.281	0.344	0.137	0.405	0.456	0.191	
Dom. Rep.	96	0.144	0.125	0.207	0.095	0.193	0.327	0.108	0.273	0.241	0.294	0.211	0.350	0.425	0.262	
El Salv.	95	0.121	0.126	0.278	0.080	0.114	0.370	0.023	0.235	0.213	0.347	0.152	0.278	0.457	0.086	
El Salv	97	0.123	0.132	0.276	0.083	0.111	0.339	0.020	0.218	0.214	0.353	0.148	0.223	0.425	0.052	
El Salv	98	0.118	0.122	0.273	0.070	0.112	0.327	0.026	0.228	0.207	0.357	0.133	0.266	0.414	0.096	
Uruguay	81	0.508	0.484	0.461	0.491	0.549	0.332	0.631	0.817	0.806	0.761	0.818	0.833	0.569	0.917	
Uruguay	89	0.385	0.392	0.356	0.405	0.373	0.320	0.396	0.687	0.703	0.623	0.731	0.663	0.556	0.710	
Uruguay	92	0.535	0.507	0.465	0.525	0.575	0.452	0.646	0.696	0.672	0.608	0.699	0.730	0.548	0.843	
Uruguay	95	0.524	0.495	0.467	0.508	0.565	0.464	0.631	0.695	0.673	0.621	0.699	0.725	0.571	0.833	
Uruguay	97	0.542	0.511	0.503	0.516	0.588	0.515	0.640	0.717	0.700	0.662	0.720	0.739	0.618	0.833	
Venezuela	81	0.231	0.190	0.359	0.161	0.345	0.548	0.287	0.475	0.411	0.561	0.374	0.618	0.724	0.572	
Venezuela	83	0.232	0.187	0.353	0.155	0.359	0.549	0.295	0.377	0.315	0.435	0.281	0.530	0.603	0.492	
Venezuela	86	0.201	0.160	0.294	0.127	0.311	0.482	0.236	0.330	0.268	0.383	0.229	0.481	0.557	0.429	
Venezuela	89	0.201	0.157	0.281	0.119	0.304	0.448	0.231	0.323	0.257	0.376	0.209	0.467	0.528	0.420	
Venezuela	93	0.169	0.125	0.215	0.092	0.266	0.370	0.197	0.279	0.210	0.288	0.171	0.421	0.450	0.389	
Venezuela	95	0.179	0.130	0.237	0.088	0.281	0.410	0.189	0.345	0.259	0.361	0.201	0.506	0.542	0.457	
Venezuela	97	0.161	0.118	0.221	0.073	0.239	0.344	0.157	0.322	0.238	0.339	0.171	0.473	0.495	0.440	

Table A2: Public/private wage differentials, country averages

	Whole sample			Formal sector only		
	All	High education	Low education	All	High education	Low education
	MEN					
Bolivia	-0.173 *	-0.193 *	-0.216 *	-0.135 *	-0.181	-0.118
Brazil	0.021	0.041	0.029 *	0.365 *	0.462 *	0.305 *
C.Rica	0.171 *	0.149 *	0.165 *	0.143 *	0.102 *	0.155 *
Chile	-0.025	-0.068	-0.060 *	0.022	-0.042	0.018
Colombia	0.163 *	0.115 *	0.228 *	0.182 *	0.137 *	0.211 *
Ecuador	0.301 *	0.198 *	0.431 *	0.189 *	0.104 *	0.310 *
El. Salv.	0.267 *	0.131	0.372 *	0.199 *	0.127	0.265 *
Guatemala	-0.045	0.060	-0.169	-0.136	0.041	-0.285 *
Honduras	0.014	0.046	-0.026 *	-0.101	-0.043	-0.176 *
Mexico	0.110 *	0.070	0.109 *	0.007	-0.035	0.010
Nicaragua	-0.022	-0.191	0.039	-0.090	-0.181	-0.060
Panama	0.114 *	-0.067	0.253 *	-0.127 *	-0.196 *	-0.056 *
Paraguay	0.108	-0.132	0.432 *	-0.024	-0.257	0.250
Peru	0.049	0.007	0.106	-0.043	-0.098	0.039
Dom. Rep.	-0.368 *	-0.277 *	-0.435 *	-0.319 *	-0.228 *	-0.388 *
Uruguay	-0.015	0.034 *	-0.031	-0.138 *	-0.045	-0.190 *
Venezuela	-0.001 *	0.026	-0.013 *	-0.040 *	-0.019	-0.042 *
	WOMEN					
	All	High education	Low education	All	High education	Low education
Bolivia	0.013 *	-0.056	0.030	-0.062	-0.098	0.000
Brazil	-0.077 *	-0.061 *	-0.107 *	0.241 *	0.300 *	0.150 *
C.Rica	0.470 *	0.226 *	0.580 *	0.209 *	0.117	0.299 *
Chile	0.167 *	0.012	0.320 *	0.103 *	0.001 *	0.192
Colombia	0.266 *	0.185 *	0.310 *	0.257 *	0.191 *	0.259
Ecuador	0.259 *	0.266 *	0.428 *	0.135	0.078	0.326
El. Salv.	0.670 *	0.396 *	0.826 *	0.415 *	0.289 *	0.522 *
Guatemala	0.396 *	0.380 *	0.443 *	0.242 *	0.269 *	0.135
Honduras	0.602 *	0.206 *	0.799 *	0.172 *	0.103	0.260
Mexico	0.233 *	0.123 *	0.283 *	0.110 *	0.079	0.147 *
Nicaragua	0.022	-0.144	0.103	-0.127	-0.382	0.019
Panama	0.488 *	0.265 *	0.639 *	0.134	0.029	0.158
Paraguay	0.279	0.165	0.853 *	0.019	-0.054	0.365
Peru	0.105 *	0.048	0.034	0.054	0.002	0.250
Dom. Rep.	0.231	0.022	0.370	-0.008	0.008	-0.034
Uruguay	-0.036	0.019 *	-0.035	-0.215 *	-0.101	-0.305 *
Venezuela	0.267 *	0.090 *	0.341 *	0.068 *	0.046 *	0.068

* means that the coefficient is statistically significant at 1% in most regressions

Table A3: Wage gender gaps, country averages

	Whole sample			Formal sector only		
	PRIVATE SECTOR					
	All	High education	Low education	All	High education	Low education
Bolivia	-0.248 *	-0.180 *	-0.287 *	-0.203 *	-0.156 *	-0.291 *
Brazil	-0.321 *	-0.333 *	-0.306 *	-0.251 *	-0.314 *	-0.229 *
C.Rica	-0.252 *	-0.173 *	-0.271 *	-0.206 *	-0.163 *	-0.212 *
Chile	-0.349 *	-0.292 *	-0.358 *	-0.271 *	-0.235 *	-0.243 *
Colombia	-0.203 *	-0.133 *	-0.232 *	-0.150 *	-0.096 *	-0.178 *
Ecuador	-0.421 *	-0.165 *	-0.53 *	-0.175 *	-0.069	-0.286 *
El. Salv.	-0.321 *	-0.251 *	-0.341 *	-0.189 *	-0.157 *	-0.197 *
Guatemala	-0.413 *	-0.203 *	-0.454 *	-0.377 *	-0.113	-0.456 *
Honduras	-0.429 *	-0.211 *	-0.484 *	-0.181 *	-0.138 *	-0.214 *
Mexico	-0.346 *	-0.123 *	-0.412 *	-0.160 *	-0.131 *	-0.195 *
Nicaragua	-0.029	-0.111	-0.015	-0.009	0.187	-0.072
Panama	-0.287 *	-0.198 *	-0.326 *	-0.222 *	-0.190 *	-0.223 *
Paraguay	-0.285 *	-0.223 *	-0.314 *	-0.208	-0.198	-0.195
Peru	-0.258 *	-0.201 *	-0.294 *	-0.208 *	-0.157 *	-0.294 *
Dom. Rep.	-0.346 *	-0.166 *	-0.420 *	-0.204 *	-0.171 *	-0.214 *
Uruguay	-0.259 *	-0.169 *	-0.298 *	-0.116 *	-0.065 *	-0.139 *
Venezuela	-0.292 *	-0.162 *	-0.332 *	-0.205 *	-0.150 *	-0.220 *
	PUBLIC SECTOR					
	All	High education	Low education			
Bolivia	-0.135 *	-0.114	-0.091			
Brazil	-0.363 *	-0.327 *	-0.387 *			
C.Rica	-0.073 *	-0.052 *	-0.087 *			
Chile	-0.279 *	-0.273 *	-0.128 *			
Colombia	-0.104 *	-0.071 *	-0.181 *			
Ecuador	-0.159 *	-0.083	-0.319 *			
El. Salv.	-0.008	0.018	-0.069			
Guatemala	0.012	-0.074	0.199			
Honduras	0.010	0.024	0.012			
Mexico	-0.053	-0.049	-0.054			
Nicaragua	-0.027	-0.054	-0.030			
Panama	-0.121 *	-0.066 *	-0.177 *			
Paraguay	-0.076	-0.041	-0.040			
Peru	-0.080	-0.068	-0.136			
Dom. Rep.	0.084	0.045	0.179 *			
Uruguay	-0.306 *	-0.221 *	-0.310 *			
Venezuela	-0.091 *	-0.051 *	-0.105 *			

* means that the coefficient is statistically significant at 1% in most regressions

Table A4: Differential in discrimination, country averages

Country	Whole sample			Formal sector only		
	All	High education	Low education	All	High education	Low education
Bolivia	0.107	0.065	0.117	0.026	0.041	0.100
Brazil	-0.080 *	-0.045	-0.127 *	-0.137 *	-0.080	-0.199 *
C.Rica	0.201 *	0.111	0.217 *	0.126 *	0.105	0.120
Chile	0.084	0.019	0.247 *	0.000 *	-0.036	0.135
Colombia	0.073 *	0.057 *	-0.011	0.017	0.024	-0.099 *
Ecuador	0.215 *	0.071	0.214	-0.027	-0.025	-0.012
El. Salv.	0.300 *	0.278 *	0.293 *	0.165	0.189 *	0.140
Guatemala	0.491 *	0.190	0.693 *	0.447 *	0.088	0.685 *
Honduras	0.460 *	0.250 *	0.511 *	0.207 *	0.179 *	0.212
Mexico	0.311 *	0.163 *	0.314 *	0.160 *	0.181 *	0.144 *
Nicaragua	-0.027	0.068	-0.016	-0.045	-0.210	0.041
Panama	0.210 *	0.148 *	0.244 *	0.127 *	0.134 *	0.087
Paraguay	0.165 *	0.224 *	0.289 *	0.025	0.132	0.005
Peru	0.164 *	0.125 *	0.055	0.159 *	0.141 *	0.093
Dom. Rep.	0.480 *	0.274 *	0.625 *	0.332 *	0.298 *	0.396 *
Uruguay	-0.045	-0.056	-0.018	-0.097 *	-0.085	-0.132 *
Venezuela	0.211 *	0.124 *	0.230 *	0.115 *	0.116 *	0.104 *

* means that the coefficient is statistically significant at 1% in most regressions