Occupational Segregation and the Gender Wage Gap Across the Unconditional Wage Distribution: Findings from Serbia

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Abstract

Most of the existing research on the role of occupational segregation in explaining the gender pay gap has focused exclusively on mean analysis. In contrast, this paper examines the impact of one-digit occupational segregation on the gender pay gap in Serbia across different quantiles of the unconditional wage distribution covering a recent period of the Covid-19 pandemic. Using LFS data for 2019 and 2022, this study investigates the occupational gender pay gap using the Brown, Moon, and Zoloth (1980) approach modified to incorporate a more accurate occupational distribution by gender at specific wage quantiles. We find that gender segregation, on average, has little impact on the pay gap. However, it has a detrimental effect on women in lower-paid jobs but favours women in higher-paid jobs. Occupational segregation remains stable across the observed period implying that the Covid-19 pandemic exerted no lasting adverse impact on the Serbian occupational wage structure for both gender groups across the unconditional wage quantiles. Our results reveal that most of the gender pay gap along the unconditional wage distribution is driven by the unequal treatment of women within occupations, particularly in higher-paid jobs. An important lesson for policymakers should be drawn from this only if it is assumed such vertical segregation represents a barrier for female progression in the labour market and is not the consequence of choice or female preferences. Policies that would contribute to reducing existing wage differentials within occupations and remove the barriers that prevent women from reaching senior positions within such occupations, absent the case of a female risk-aversion to taking such jobs, would be effective in reducing the overall pay gap.

Keywords

Occupational segregation, gender wage gap, unconditional wage distribution, Serbia, Covid-19.

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