

Decomposing the gender wage gap: an analysis of the tourism sector at the European level

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Abstract

Statement of the research question: Studies carried out in different countries show that workers in the tourism sector face unfavourable labour and pay conditions and a significant gender wage gap, which shows that this is an international phenomenon. However, this matter has only been studied at national level in specific countries, such as Spain, the United Kingdom, Norway, Portugal, or Brazil, among others (Burgess, 2003; Dashper, 2019; Guimarães and Silva, 2016; Santos and Varejão, 2007; Skalpe, 2007; Santero, Segovia, Castro, Figueroa and Talón, 2015; Oliver and Sard, 2020; Thrane, 2008). However, to our knowledge, no international comparisons have been carried out to explain the heterogeneity of the gender wage gap across countries and its main determinants. We have not found any studies that analyse what part of this cross-country heterogeneity could be explained by the contextual, economic, and institutional conditions of each country, as well as by factors that particularly affect the tourism sector at the international level, such as educational mismatch, labour mobility or occupational segregation, among others.

Objective: This paper uses a micro and macro perspectives simultaneously, through a multilevel approach, which may be helpful for understanding how the characteristics of the employees of each country and how the country characteristics can affect the differences at European level in the gender wage gap and its discriminatory component in the tourism sector.

Data: We created a combined dataset, based on the latest EU Structure Earnings Survey (SES-2018), that contains matched employer-employee data in the EU-28 countries, with country-level contextual variables obtained from other international statistical sources.

Methodology: Due to the hierarchical structure of the matched employee-employer data in the SES database, a multilevel analysis is proposed to carry out an estimation of the gender wage gap for international comparability across EU-28 countries. For the application of this hierarchical model, a two-level random intercept model is considered because workers (first level) are grouped into countries (second level), so the error term can be decomposed into differences between countries, and between individuals within each country. This method allows us to analyse the contribution of individual determinants (worker, job, and establishment characteristics), as well as the contribution of contextual determinants (with a special interest in institutional, regulatory, and labour market factors) to explain the discriminatory and non-discriminatory components of the gender wage gap in the tourism sector.

Results: A general finding from the analyses indicated that significant variance exists within and among nations in wage structures. The results also show that heterogeneity

between countries explained by contextual factors, such as the economic and institutional conditions of the European countries, are key factors for decomposing the gender wage gap in the tourism sector, although, individual heterogeneity due to educational mismatch, labour mobility or occupational segregation, among others, are also relevant.

Social and political implications: The present study have practical implications for the management of international gender inequality in the tourism sector. A better understanding of the labour environment in the countries of the European Union can help in the creation of suitable policies to improve labour productivity in each country. Institutional and contextual aspects play a key role in the differences studied, as supported by the results. Gender roles at work and in family life have consequences for women's careers. Appropriate policies could lead organisations to adopt measures aimed at achieving real equality of opportunity and reducing the differences in terms of gender wage gap and wage discrimination between countries.

Keywords: Gender wage gap, Discriminatory component, Hierarchical linear models, Country heterogeneity, European countries, Tourism.

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