Are women paid less than men? Is this due to discrimination against women? Empirical evidence from the Greek labour market in a period of economic crisis

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Greece entered into a period of economic recession in 2009. GDP decreased more than 27.5% during the last 6 years. Unemployment raised to 26.6% in the first quarterly of 2015. Poverty rate has also increased in this period. The economic crisis affected seriously not only the Greek economy but the whole society. Wage earners and pensioners are also affected by the economic crisis as their income dropped significantly. The gender wage gap represents the difference in wage earnings between women and men. This is a phenomenon existed in the labour market. The economic theory tries to explain if these differences are due to personal characteristics or due to discrimination. In the literature the gender wage gap is analyzed without taking into consideration the economic condition of the country. A sex differential in wages is considered to be discriminatory if the differential cannot be explained by sex differences in productivity. This paper, on the one hand tries to investigate whether literature's findings hold, and on the other explores the effect of economic crisis in Greek gender wage gap. Row data from Labor Force Statistics (LFS) are used for the period 2008 - 2015, which were chosen as representative years before and in crisis respectively. Separate earnings equations for each gender have been estimated for the whole period, and Oaxaca-Blinder decomposition method has been applied, which decomposes the overall gender wage gap into the "explained" and the "unexplained" wage gap.

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