

**Gender Wage Gap and Segregation during
Transition: the Case of Hungary**

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Abstract

We examine the evolution of the gender wage gap over a sixteen-year period (1986-2002), concentrating on the role of occupation and firm-level segregation .

Based on matched employer-employee data for medium and large firms in the non public sector we find important differences between socialist times and current dates in the determinants of the gender wage gap . First , we show that while occupational segregation has slightly eased, there has been a marked increase in firm-level segregation . Second, we find that during socialism, occupational feminisation had a large negative effect on worker s ' wages , and this form of segregation explained nearly thirty per cent of the gender wage gap. In post transition times , on one hand, the negative effect of occupational segregation has halved, on the other hand, the role of firm-level segregation has increased, with the proportion of females at the firm level significantly lowering women 's wages but not affecting male wages

Finally, controlling for more detailed occupation and firm characteristics reveals that at current dates , the penalties to working in "female jobs " and "female firms " is small and insignificant .

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