

**Gender wage inequality and rent sharing -evidence
from a German employer-employee**

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The wage gap between women and men amounts to 28% in Germany. In some countries the wage gap can partly be explained by differences in rent sharing . This paper examines whether this mechanism works also in Germany.

I use a new employer-employee data set for Germany, which combines establishment data with process generated individual data. The first data set is the IAB-establishment panel, a yearly survey of German establishments. The survey provides general information on the establishment, like investment revenues, the size and composition of workforce and the branch. The second data set is the Employment Statistical Register of the IAB. It is an administrative data set for the social security and includes information about sex, age, qualification, occupation and wage. Both data sets are merged by using a firm identification number. So we get a data set for the year 2001 with information about 14.000 establishments and 2 million employees. To account the gender wage gap I use an Oaxaca-Blinder(1973)-decomposition, which can discriminate between to effects: The endowment effect is due to differences in the observed characteristics, such as differences in human capital or in firms profit. The price effect is caused by gender difference in rewards to observed variables.

The depend variable of the econometric model is the daily wage of fulltime employees in 2001. The profit is calculated as average sales of 1999 and 2000 minus the payrolls and the value of inputs. Because of endogeneity of profit also IV-models are estimated.

Instruments are the share of exports and the degree of competition.

The first model includes controls for firm size and human capital. The elasticity of male wages with respect to profits are 0.058; the female wage elasticity is 0.063.