

# Distributional Changes in the gender wage gap in the Post-Apartheid South African Labour Market

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## Abstract

The trend of the gender wage gap in South Africa is mixed with some researchers finding a rise in the gender wage gap between 1995 and 2006 and others reporting a drop which is partly due to the choice of the base period. In the wake of a new democratic government in 1994 and the introduction of anti-discrimination policies, we expect that the gender wage gap should have narrowed over time. This paper examines several salient aspects of the gender wage gap including data quality issues, anti-discrimination policies and the evolution of the gap over the period 1993-2014 using the Post-Apartheid Labour Market Series (PALMS) data. Results from both non-parametric reweighting and unconditional quantile regression methods show that the mean gender wage gap narrowed significantly during the period studied, from 0.34 log points (about 40%) in 1993 to 0.15 log points (about 16%) in 2014. Distributional analysis shows that the median gender wage gap has stagnated over time whereas there has been a substantial decline of the gender wage gap at the 10th percentile. We attribute the narrowing of the gender gap at the bottom of the wage distribution to minimum wage legislation while the stagnation of the gender gap at the median suggests that anti-discrimination legislation has not been binding. Also, we find that education is an important factor in reducing the unexplained gap at the median and 10th percentile but not at the 90th percentile. Finally, there is an indication of a ‘glass ceiling’ effect in the South African labour market due to a decline of the gender wage gap at the 10th percentile and an expansion of the gender wage gap at the top of the wage distribution in recent years.

JEL Codes: J31, J71

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