

Women's Work and Family Income Inequality in South Korea

Kwang-Yeong Shin (Department of Sociology, Chung-Ang
University)

Ju Kong (Department of Sociology, Chung-Ang University)

Facts on Women in Korea

- Steady increase of women's labor force participation
 - 39.3% in 1970, 47.1% in 1991, 49.7% in 2011(NSO, 2012)
 - Increasing married women's labor force participation
 - Decreasing unmarried women's labor force participation

- Upgrading of women's education
 - The rate of women's entrance into university > that of men's

- Diminishing gender wage gap
 - 37.1% in 2000, 36% in 2010

What is the effect of women's income on family income inequality?

➤ Leveling effect thesis

- Wives of husbands with low income tend to participate in the labor market.
- Wives' income reduces inequality of husbands' income.

➤ Reinforcing effect thesis

- Educated women are more likely to participate in the labor force.
- Assortative mating, marriage based on similar social background, aggravates inequality of husbands' income.

Issues

- How much differences in labor force participation across husbands' income levels?(the level of working wives)
- How much income do wives get by their works? (the level of wives' labor income)
- Empirical Questions

Data and Analytic Strategies

- Korea Welfare Panel Study(KWPS) (2006-2012)
- The KWPS from 2009 to 2012 used
- 7,072 households and 14,453 individuals in 2006
- Retention rate in 2012: 74.5%
- Couple household and dual earner family: 1,129 in 2009, 1,105 in 2010, 1,116 in 2012, and 1,127 in 2012.

Decomposition of Income Inequality by subgroups

- $I_2 =$ half the coefficient of variation squared
- The absolute contribution of wives' income X to the total family income inequality
- $S_x = \sigma_{xz} / 2\mu^2$

The relative contribution of wives' income to the total family income

- $s_x = S_x / I_2 = \sigma_{xz} / \sigma_z^2 = \rho_{xz} \sigma_x \sigma_z / \sigma_z^2$

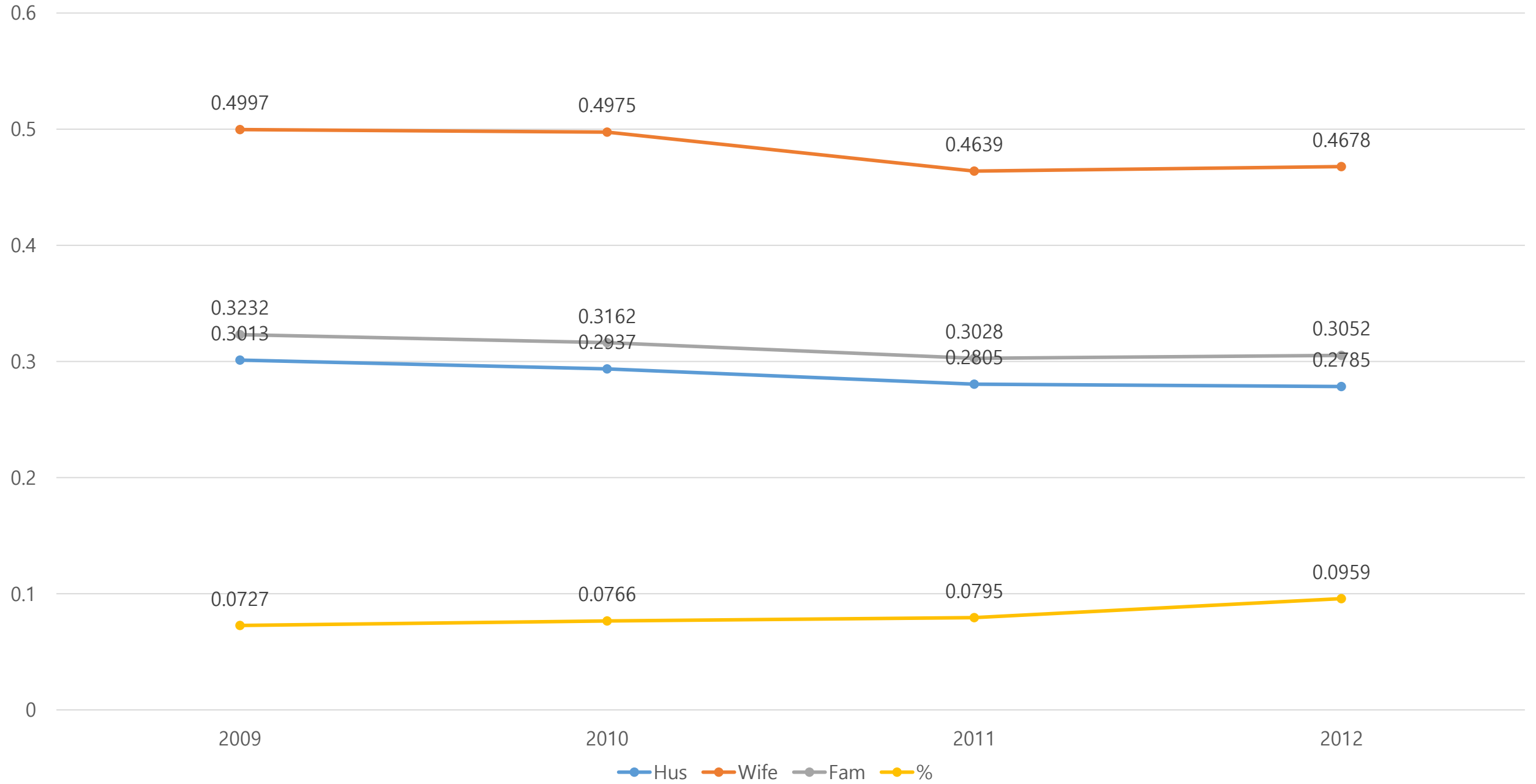
Temporal change of effect of wives' income on family income inequality

- $\Delta x = (S_x(t') - S_x(t)) / (I_2(t') - I_2(t))$ (

Gini Coefficients of Income Inequality, 2009-2012

	2009		2010		2011		2012	
	All	Dual Earners	All	Dual Earners	All	Dual Earners	All	Dual Earners
Husband's Income	.3171	.3013	.3132	.2937	.2981	.2805	.2917	.2785
Wife's Income	.7147	.4997	.7059	.4975	.6745	.4639	.6703	.4678
Family Income	.3357	.3232	.3287	.3162	.3173	.3028	.3125	.3052
Δ by wife's income	.0186	.0219	.0115	.0225	.0236	.0223	.0208	.0267
% of change	.0587	.0727	.0495	.0766	.0644	.0795	.0713	.0959

Trends of Gini Coefficients



Decomposition of Family Income Inequality by Wives' Income and Husbands' Income

	I_2	σ_x	σ_y	ρ_{xz}	ρ_{yz}	s_x	Δs_x
2009	.3151	1479.5360	3513.7520	.3946	.9921	.1527	0
2010	.3095	1560.0760	3629.7140	.4063	.9197	.1596	-1.2282
2011	.2029	1525.0430	3028.7950	.4390	.8918	.1986	-.3697
2012	.2154	1508.3680	3246.6700	.4255	.9073	.1789	-1.5782

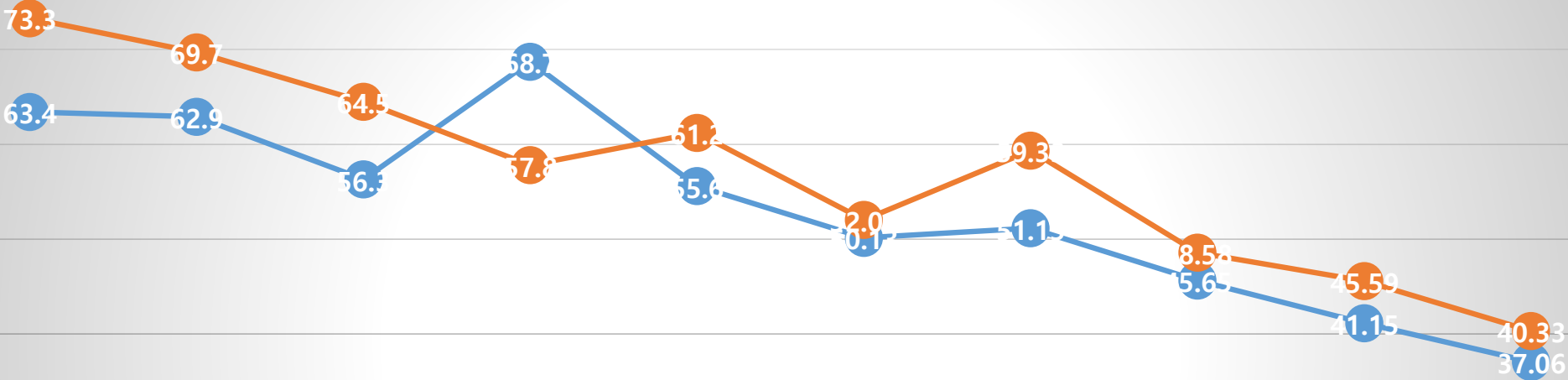
- Increasing relative impact of wives' income on family income inequality
 - Growing correlation between wives' income and family income
- Low Correlation between wives' income and husbands' income
- Family income inequality diminishes, whereas the relative share of wives' income on family income inequality increases.

Trend of Wives' Labor Force Participation: 2009-2012

- 1st : 63.39% → 73.29%
- 2nd : 62.85% → 69.74%
- 3rd : 56.32% → 64.49%
- 4th : 68.72% → 57.78%
- 5th : 55.59% → 61.18%
- 6th : 50.13% → 52.04%
- 7th : 51.15% → 59.33%
- 8th : 45.65% → 48.58%
- 9th : 41.15% → 45.59%
- 10th : 37.06% → 40.33%

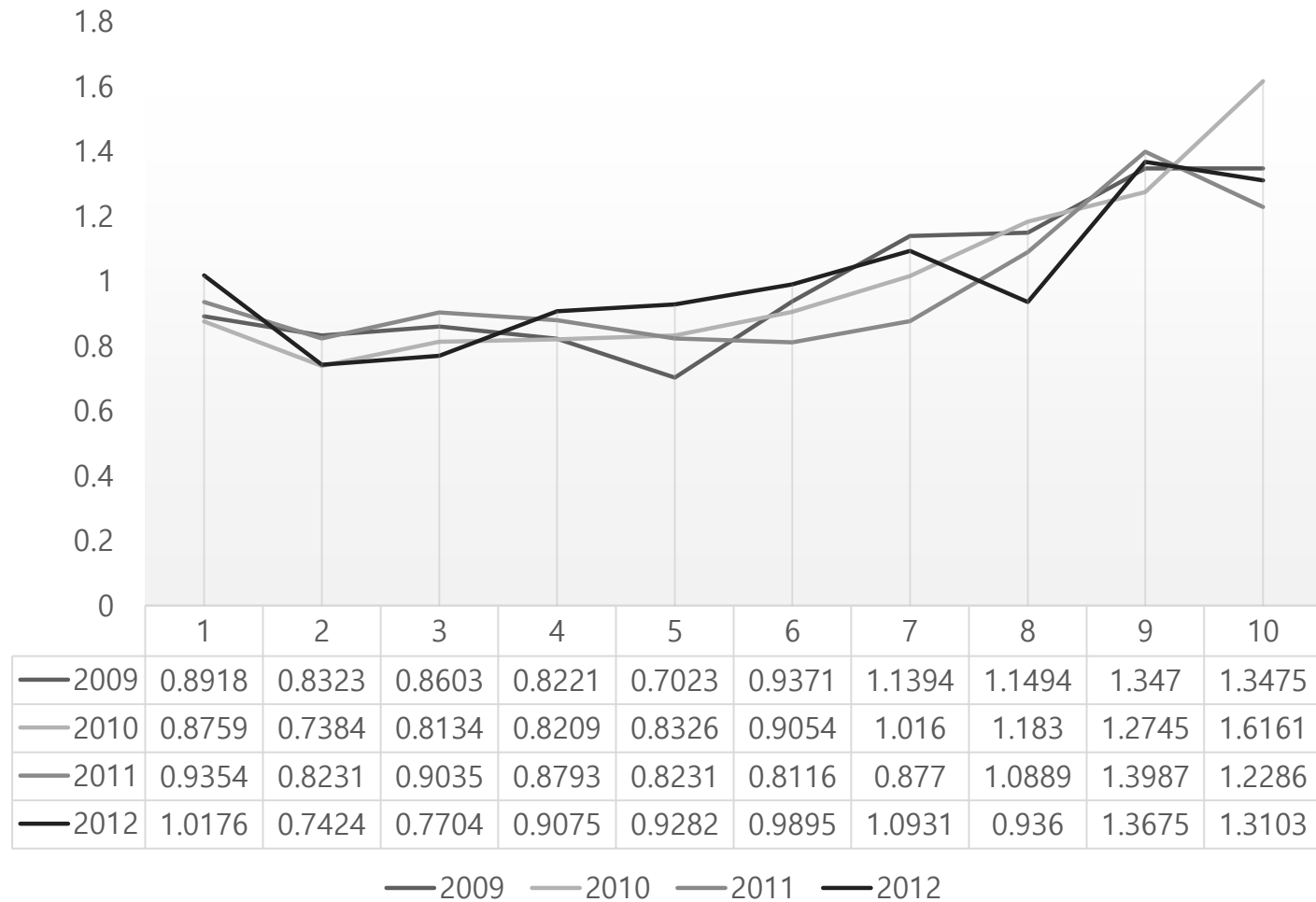
- Differential Rate of Labor Force Participation by Husbands' Income Decile
 - High among Low Husbands' Income, Low among High Husbands' Income

Wives' Labor Force Participation in 2009 and 2012



● 2009 ● 2012

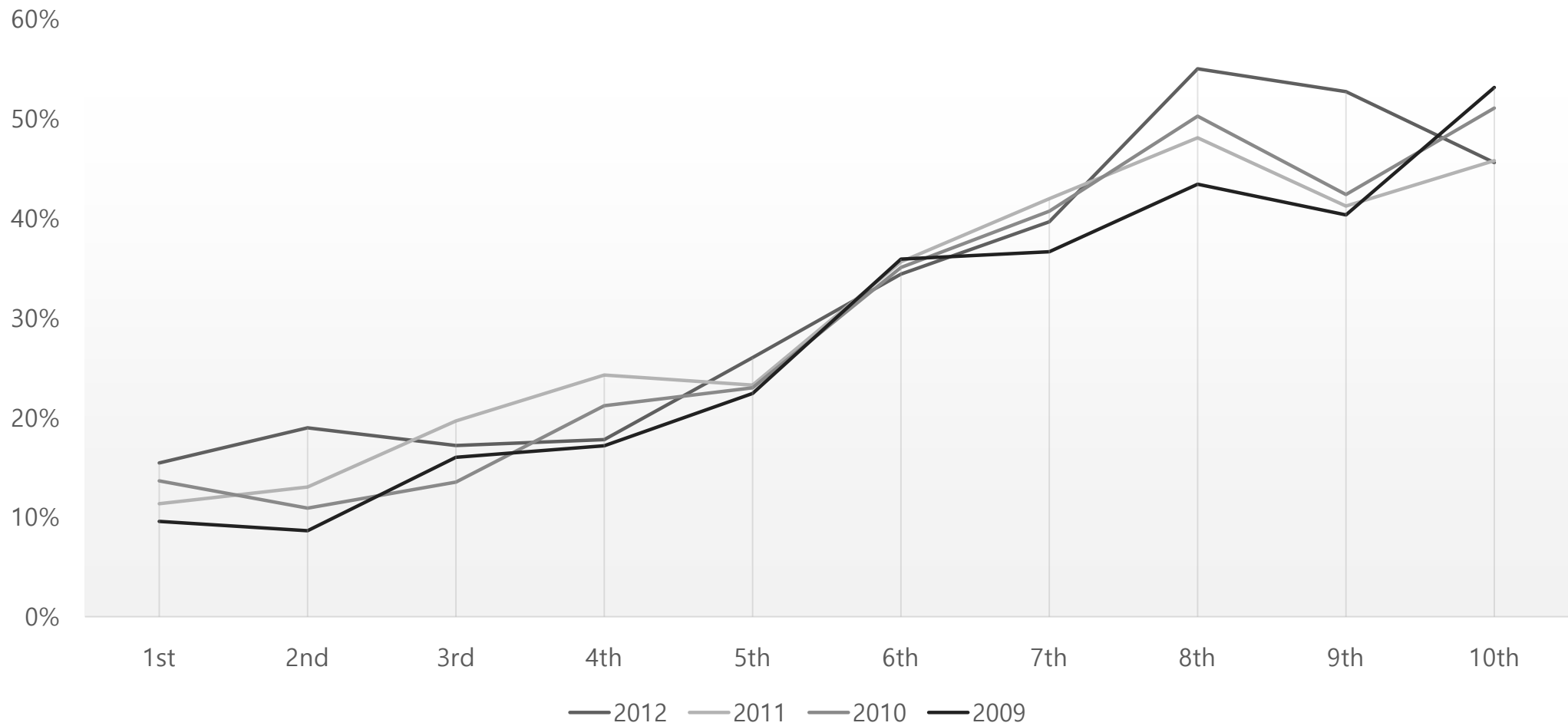
Ratio of the Average Income of Decile to the Average Income of All Working Wives



<Table 4> Shift-share analysis of wives' income share
by husbands' income decile

Husband's Income Decile	LPR'09*AIW'09	LPR'09*AIW'12	LPR'12*AIW'09	LPR'12*AIW'12
1st	13.53%	15.50%	14.06%	16.11%
2nd	12.08%	11.28%	12.25%	11.43%
3rd	10.62%	9.31%	11.11%	9.73%
4th	11.16%	10.93%	10.03%	9.82%
5th	7.88%	10.91%	7.91%	10.95%
6th	9.37%	9.50%	8.88%	9.01%
7th	10.20%	9.62%	10.81%	10.19%
8th	9.90%	7.21%	9.62%	7.00%
9th	8.11%	8.62%	8.21%	8.72%
10th	7.16%	7.10%	7.11%	7.05%
Total	100.00%	100.00%	100.00%	100.00%

Educational Homogamy by Husbands' Income Decile, 2009-2012



Concluding Remarks

- Wives' income tends to reinforce family income inequality.
- Wives' income becomes more important in family income inequality than ever before.
- Differential rate of wives' labor force participation by husbands' income deciles tends to lower family income inequality.
- Differential wives' income level tends to increase family income inequality.
- As the rate of labor force participation increases among highly educated women, strong homogamy might tend to reinforce family income inequality.