Wage Differentiation Patterns of Households Revisited for Turkey in Same Industry Employment: A Pseudo-Panel Approach

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Abstract : Previous studies investigate the wage differentiations among regions in Turkey between couples who work in the same industry and those who work in different industries by using the models that is appropriate for cross sectional data. However, since there is no available panel data for this investigation in Turkey, pseudo panels using repeated cross-section data sets of the Household Labor Force Surveys 2004-2014 are employed in order to open a new way to examine wage differentiation patterns. For this purpose, household heads are separated into groups with respect to their household composition. These groups' membership is assumed to be fixed over time such as age groups, education, gender, and NUTS1 (12 regions) Level. The average behavior of them can be tracked overtime same as in the panel data. Estimates using the pseudo panel data would be consistent with the estimates using genuine panel data on individuals if samples are representative of the population which has fixed composition, characteristics. With controlling the socioeconomic factors, wage differentiation of household income is affected by social, cultural and economic changes after global economic crisis emerged in US. It is also revealed whether wage differentiation is changing among the birth cohorts.

Keywords : wage income, same industry, pseudo panel, panel data econometrics