Dissertation Summary

Reappraising the Effect of Female Job Training on Labor Market Outcomes in Korea: Essays on Theoretical and Empirical Analysis

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Theoretical considerations of job training have been suggesting the sufficient reasons why it is important in the labor market. It would be more crucial for females because of the situation that females face in the labor market. Job training of females would be one of the implements compromising or moderating a labor market that tends to be in favor of male. Furthermore, through job training, females would have more opportunity of market activities and it would improve her economic well-being as well as her empowerment. However, due to the characteristics of females that involve cultural and social relationships, it might not be the case that she truly gets the benefit from job training on labor market. Access to job training would be restricted by females’ social environment, such as social norms, especially in Korea. Through the three essays I investigate the true effect of job training on Korean females with the consideration of the structure of the labor market and society via Korea.

[Job Market Paper]


In order to support the positive functioning of job training on female in labor market in Korea, it would be the first step where providing accurate measure of true effect of job training. In this paper, I investigate the effect of job training on the wages and employment propensities of female workers in Korea. Using a rich panel data set from 1998 to 2005, I analyze the impact of job training using both the Random Effects (RE) model and the Fixed Effects (FE) model and compare the results from them. The two results provide an upper and lower bound estimate of the job training effect. I find that job training has a statistically significant and positive effect on wages (5.0% per year in the RE model and 3.4% in the FE model). I also find that while on-the-job training increases wages, training conducted outside the workplace does not affect wages. Despite its insignificant impact on wages, training outside the workplace does appear to improve the employment propensity of women.
Analysis of Structure of Korean Female Labor/Labor Market I:
Comparative Study of the Gender Difference in Wages and Job Trainings

According to the Human Capital theory, job training might alleviate gender difference in labor market outcomes. The previous essay showed the reasonable effect of female job training on labor market outcomes in Korea. It, however, does not imply that the Korean women have the actual gain through job training. In this essay, I scrutinize the empirical analysis with Panel data of job training for Korean male and female. It shows strong evidence that it is not the case in Korea. It shows that job training for Korean males has a higher effect than for females in On-the-job training, 5.4% and 3.9%, increase on wage rate respectively. On the other hand, there is no clear effect from the Off-the-job training for the male case. And it is the same for female labor. However, interestingly, regarding effect on employment status, there is significant the lagged effect of Off-the-job training on employment and it is even stronger for women than men. Although there is no significant effect right after finishing job training, three years later it would increase the probability of being employed by 10.2% for female and 6.2% for male. And these results lead us to consider the fundamental reason of the different effect of job training between males and females in Korea. In addition, through the Logit model I find that there is no significant difference in marital status on participation of job training between males and female, however the number of family members and different ages of children are crucial factors on the participation of female in job training as well as the type of job training that females might take. It implicitly explains why Korean female labor has lower proportion of job training over all compared to the male. And this phenomenon ultimately influences the impact of job training on female wage rates.

Analysis of Structure of Korean Female Labor/Labor Market II:
Theoretical Consideration of Gender Differences in the Labor Market

The previous analysis of data of job training for the Korean female shows strong evidence of the difference of wages and job training. Some experts argued it is historically true that the female is weak in the market as is their nature. However, females’ lower market outcomes in the labor market might have more to do with this than their own decision. Thus it leads us to inquire about the market structure and the rule of decision making in the Korean market. Thinking of the market as an institution can help us to understand the puzzle of the structure of the labor market in Korea regarding female labor. I constructed the model based on the cooperative game theory. Through the model I try to incorporate systematic problems of the female labor market with the decision process of an employee and an employer. In order to do so, I took child care support as a crucial component in the model. The model shows the interesting result that if employers voluntarily comply with child care support then the probability of females being in the labor market increased and it affected wage and profit in a positive way. It implicitly explains why Korean female labor has a lower proportion of job training and wage compared to male labor.