

# Labor income gap in Ecuador due to discrimination, pre and post pandemic: Correction of error due to selection bias

Marcelo Varela Enríquez <sup>1,\*</sup> & Gustavo Salazar Espinoza <sup>2,α</sup>

<sup>1</sup> Doctor (PHD) in Social Sciences specialized in Applied Economics, University of Salamanca. Dean of the School of Public Economics and Strategic Sectors at the Institute of Higher National Studies, and Principal Professor at the Central University of Ecuador, Ecuador

<sup>2</sup> Economist, Central University of Ecuador, development economics master, economic research consultant, Ecuador

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## Abstract

The objective of this research is to analyze the labor gap in Ecuador, correcting the session period by sample selection to show if the differences in labor income are due to observable or discriminatory situations, and if they changed after the pandemic. To achieve this objective, the annual employment databases for the years 2018, 2019 and 202 were analyzed, and a model described by Jones (2007) and Adkins and Hill (2011) was initiated, who conclude in the application of the model of Heckman and the failure of the Oaxaca-Blinder method was estimated to correct errors and show possible discrimination in labor income. The results obtained show that it is more difficult for women, young people and ethnic minorities to find work, and when they are in employment their income is lower, even the labor gap between men and women increases after the pandemic. Income gaps are explained by discriminatory factors and observable factors in the case of women and ethnic minorities; while for young people it is due to observable factors.

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## 1. Introduction

The search for equal pay has been going on for more than 103 years when Convention No. 100 on Equal Remuneration was defined in 1919, since its constitution already determined the fundamental principle "equal pay for work of equal value". As stated by the International Labour Organization (ILO, 2019):

*"This principle implies a questioning of wage discrimination, and in particular, gender roles and the sexual division of labor, from which the jobs of women and men are evaluated, resulting in some skills and competences being more valued than others (SNMT, 2010: 30). Thus, the Convention not only assumes that if two people perform the same work they are entitled to receive the same income; It also states that different jobs can have the same value. The establishment of the value of each job requires the evaluation of the capabilities expected of the worker, the efforts that are expected of the worker."*

And although great progress has been made in the recognition of equal rights between men and women, significant signs of the wage gap still appear, even though Article 23 of the Universal Declaration of Human Rights (1948) states that:

*"1. Everyone has the right to work, to free choice of work, fair and favourable conditions of work and protection against unemployment.*

*2. Everyone has the right, without any discrimination, to equal pay for equal work.*

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\* E-mail: [marcelo.varela@iaen.edu.ec](mailto:marcelo.varela@iaen.edu.ec) & ORCID: <https://orcid.org/0000-0003-4721-8229>

α E-mail: [gustavoandrian016@gmail.com](mailto:gustavoandrian016@gmail.com) & ORCID: <https://orcid.org/0000-0003-4942-0842>

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