## - WageIndicator.org

# Raw labor: homogeneous or heterogeneous? 

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## 1. Introduction ${ }^{1}$

ElSalario is the Spanish name of Argentina's WageIndicator site. It is one of the more than 40 WageIndicator websites in the world. The core of these websites is the so-called Salary Checker, which provides free, reliable information on average wages earned in an occupation in a country, taking into account the different individual factors affecting them. ${ }^{2}$

According to the human capital theory, each worker's earnings consist of two additive components: raw labor and human capital. Raw labor refers to the initial earnings capacity of each individual before the acquisition of any human capital. Human capital is the result of education and labor experience.

Other factors which affect earnings are gender, experience, responsibility within the firm's hierarchy and size of the firm.

These concepts have been operationalized through the so called Mincer earnings equation.

A type of Mincer earnings function is used in the estimations of the WageIndicator salary checker:
$\log w=\mathbf{a}+\mathbf{b} e d u+\mathbf{c} \sup +\mathbf{d} \exp +\mathbf{e}(\exp )^{2} s z+\mathbf{f} g e n+\varepsilon$
where $w$ stands for wages; $e d u$, for level of education; sup, for supervision; $\exp$, for years of experience; $s z$, for firm size, and gen, for gender; $e d u, s u p, s z$ and gen are dummy variables.

The coefficients $\mathbf{b}, \mathbf{c}, \mathbf{d}, \mathbf{e}$ are semi-elasticities, i.e.
$\underline{\mathrm{d} \log (w)}=\mathbf{b}$
d edu
where $\mathbf{b}$ measures the proportional change in $w$ when $e d u$ changes in one unit.

Most of the analyses on the Mincer earnings equation have dealt with the values of the slopes but little attention has been paid to the intercept values. This is easily understandable: the main interest has primarily been focused on the effects that variables like education, tenure, gender, etc. exert on the level of wages.

However, the value of the intercept has its own interest.

[^0]The constant a is related to the initial earnings capacity. This capacity is given by innate ability, understood as a time invariant level of skills that exists prior to the start of the human capital accumulation process.

In a cross section of individuals, the error term typically can be interpreted as capturing the unmeasured differences in innate ability among individuals. So, if we call $w_{0}$ the average earnings power of an individual with no human capital at all -one endowed with only raw labor-, and putting aside for a moment the rest of the variables, it can be approximated by $w_{0}=\exp \left(\mathbf{a}+0,5 \sigma^{2}\right)$ where $\sigma^{2}$ is the mean square error of the regression. Thus, a is the deterministic core of raw labor average wage.

It is an open question whether that raw labor deterministic component of the wage has a specific value for each occupation or not.

In the literature it is usually assumed that individual-specific differences affect the intercept. It is common in economic models of the labor market to assume heterogeneous innate abilities, which influence the marginal product each worker produces. So, in principle it should be expected to find also differences in the estimates of the intercept among different occupations.

However, this was not the point of view in the early classics.

## 2. From Adam Smith to Karl Marx

As is well known, for Adam Smith and David Ricardo -Smith's immediate follower- labor embodied in commodities was the primary determinant of prices. The number of hours labor that a good can be exchanged for constituted its inherent worth for them.

Marx follows Smith's and Ricardo's contributions but introduces the distinction between simple and skilled labor.

We can find here a remote antecedent of today's distinction between raw labor and human capital.

In Marx's theory of value, skilled labor is computed as a multiple of simple labor. As the source of exchange value, all labor is reduced to simple homogeneous labor.
"Skilled labor counts only as simple labor intensified, or rather, as multiplied simple labor, a given quantity of skilled being considered equal to a greater quantity of simple labor." (Marx, 1967, p. 44).

Wages are determined by the cost of reproduction of the labor force measured in units of simple labor. The labor force is viewed as a quite homogenous commodity. So, the unskilled labor force should have the same value notwithstanding the sector of the economy where it is employed.

## 3. The human capital theory

It has been argued that the concept of human capital can be traced to the founder of economics: Adam Smith. He defined four types of fixed capital; one of them was human capital. ${ }^{3}$

However, the human capital theory as such has been developed in the last 50 years.

Modern labor economics point of departure has been the observed fact that earnings are not uniform across the population but differ for various demographic groups. For instance, women earn less than men; earnings increase with age, but at a decreasing rate. In addition, wages rise with education yet they vary across occupations.

This led to view labor as a conglomeration of heterogeneous human beings each differing in on-thejob productivity. Since education and training reflect labor quality, human capital theory developed to study how society invests to enhance worker quality, and hence worker productivity.

Mincer (1958) was the first to employ prominently the term human capital in his seminal paper devoted to develop this new approach to earnings distribution.

Human capital theorists concentrated on the variation in earnings within labor as a whole. ${ }^{4}$ The Mincer earnings equation was the main econometric tool for that analysis.

Adding dummy variables to the basic Mincer earnings function allowed getting estimates of earnings differences across each category. So, the basic Mincer earnings function was modified to incorporate region, union membership status, city size, gender, ethnicity, tenure on the job, and a host of other factors that could affect earnings.

## 4. Some alternative approaches

Labor economists have started to pay particular attention to the introduction of heterogeneity in the slopes of the wage equation. Because variables such as gender and race are often correlated not only with earnings but also with schooling and experience, the original Mincer earnings function parameters need not accurately reflect those of the entire population. As such, earnings function parameters can differ by race, gender, or location. For example, some studies have found the schooling coefficients to be larger for women.

[^1]Correlated random coefficient wage regression model is the term used to refer to the standard Mincer wage regression model where all coefficients are individual specific. Papers devoted to specification and estimation issues surrounding a random coefficient model of the wage regression include Heckman and Vitlacyl (1998, 2005),Wooldridge (1997), and Angrist and Imbens (1994).

## 5. Testing the intercept with data for Argentina

As stated before, Elsalario is the Spanish name of Argentina's Wage Indicator site. From mid-2006 to March 2007, 4.830 surveys were completed. The data were processed using OLS. The results were used for the Argentinian salary checker ${ }^{5}$.

Using 85 equations -each for everyone of the 85 occupations- a test was carried out in order to test if the estimates of the intercepts did or did not differ significantly.

### 5.1. Methodology

We have the following two equations:

$$
\begin{align*}
& w_{A i}=\alpha+F_{A}\left(\exp _{A i}, \exp _{A i}^{2}, \operatorname{gen}_{A i}, \text { edu } A_{A i}, f r m 2_{A i}, f r m 3_{A i}, \operatorname{tax}\right.  \tag{1}\\
& A i \\
& i=1, \ldots, n  \tag{2}\\
& \left.w_{B j}=\beta+F_{B}\left(\exp _{B j}\right)+\exp _{B j}^{2}, \operatorname{gen}_{B j}, e d u_{B j}, f r m 2_{B j}, f r m 3_{B j}, \operatorname{tax}{ }_{B j}, \sup _{B j}\right)+\varepsilon_{B j} \\
& \quad j=1, \ldots, m
\end{align*}
$$

Equations 1 and 2 are earnings functions for two different occupations, $A$ and $B$. Here, $w_{A}$ and $w_{B}$ are the $\log$ hourly gross wages for each occupation, $a$ and $\beta$ are intercepts, and $F_{A}$ and $F_{B}$ are linear functions on the explanatory variables; frm 2 and firm3 are dummy variables representing different firm sizes. The corresponding error terms, $\varepsilon_{A}$ and $\varepsilon_{B}$, are assumed to be normally distributed with zero mean and variances, $\sigma_{A}$ and $\sigma_{B}$.

In this setting we wish to compare the intercepts from the two equations; more precisely, we wish to test the hypothesis that $a$ is equal to $\beta$. In order to do this, we estimate first the two equations using Ordinary Least Squares, OLS, to obtain $a$ and $b$, the OLS estimators of $a$ and $\beta$. Here we have that,

[^2]$a \sim N\left(a, \sigma_{a}{ }^{2}\right) \quad$ and
$b \sim N\left(\beta, \sigma_{b}{ }^{2}\right)$
that is, $a$ and $b$ are normally distributed with means $a$ and $\beta$ respectively, and variance $\sigma_{a}{ }^{2}$ and $\sigma_{b}{ }^{2}$. The variances $\sigma_{a}{ }^{2}$ and $\sigma_{b}{ }^{2}$ are unknown and have to be estimated; we employ the usual estimator to get $s_{a}{ }^{2}$ and $s_{b}{ }^{2}$, the estimated variances of $a$ and $b$.

We can now construct the test statistic, $t$, which will allow us to test the hypothesis that $a$ is equal to $\beta$ :
$t=\frac{(a-b)-(\alpha-\beta)}{\sqrt{s_{a}^{2}+s_{b}^{2}}}$

This test statistic follows a Student's $t$-distribution with $n+m-2 k$ degrees of freedom ( $k-1$ being the number of explanatory variables, so in our case k equals 9 ). Under the null hypothesis $a$ equals $\beta$ so we are left with
$t=\frac{(a-b)}{\sqrt{s_{a}^{2}+s_{b}^{2}}}$
which we can compare to critical values from the corresponding $t$-distribution to determine whether the null hypothesis can be rejected. For large samples, typically ( $n+m$ ) such that $n+m-2 k \geq 30$ we can approximate the $t$-distribution with the Standard Normal Distribution.

The previous analysis was applied to a group of 85 occupations. So we had a total of 3.570 pair wise comparisons, that is, compared each occupation to all the remaining occupations, performing a total of 3.570 hypothesis tests.

### 5.2. Results

We had a total of 4.830 observations distributed among 85 occupations. The number of observations differs among occupations, with a minimum of 23 and a maximum of 484 , the average being 57 .

For each occupation we estimated the regression equation presented as (1) or (2) obtaining a total of 85 intercept terms with its corresponding standard errors. These results are presented in table 1 ordered by the coefficient's value.

Results from the hypothesis tests are shown on table 2. In order to simplify the presentation we will not show the results from each test, but instead we show for each occupation, in percentages, how many times the null hypothesis of equal intercepts was rejected. Column 1 in table 2 shows, in percentage values, how often the null hypothesis was rejected at a $10 \%$ confidence level, and column 2 shows, in percentage values, how often the null hypothesis was rejected at a $5 \%$ confidence level.

Results presented in table 2 show that, among most occupations, intercept terms do not seem to statistically differ from one another. Exceptions are, for example, Power production plant operators whose intercept term appears to differ from those of roughly $80 \%$ of the other occupations, or IT applications programmers whose intercept term seems to differ from those of roughly $70 \%$ of the other occupations.

However, the intercept seems to be homogenous for most of the occupations. What does it mean?

It seems to indicate that labor heterogeneity stems from factors like education, tenure, gender, etc. while raw labor is basically homogenous. The differences in innate ability among individuals are randomly distributed and mostly captured by the error term.

That is to say that once factors like gender, education, tenure, ethnicity, etc. have been taken into account there remains -for most of the occupations- a homogeneous substratum of raw labor.

The exceptions seem to rely on some occupations which require some special skills (Power production plant operators, surgeons or IT applications programmers) or a particular profile (Secretaries), both of which have as a prerequisite a particular innate ability. This special innate ability commands a premium over the rest of the occupations as reflected in the intercept values.

## 6. The cases of Brazil and the United Kingdom

Meusalario is the Portuguese name of Brazil's Wage Indicator site. The same procedure applied for the Argentinian salary checker was used to process the Brazilian online survey.

The regressions were calculated for a total of 173 occupations out of 28.432 filled online questionnaires. A test was also carried out in order to verify if the estimates of these intercepts did or did not differ significantly.

As shown in Table 3, the results coincide with the ones obtained for Argentina. In the great majority of cases the intercepts do not differ significantly.

Again, the exceptions have to do with some occupations which require some innate ability like General Practitioner or aircraft pilots, or are highly qualified, like civil or mechanical engineers.

Finally, the same analysis was done with the data used for the U.K.'s Wage Indicator site. The results coincide with the ones obtained for Argentina and Brazil. Moreover, in the case of the U.K., only 7\% of the occupations show an intercept which significantly differs from the rest (see Table 4).

## 7. Some implications

The results obtained using the Wage Indicator data for Argentina, Brazil and U.K. favor the hypothesis of homogeneous innate abilities.

If so, it means that, on a basis of an essentially homogeneous raw labor, heterogeneities are mainly built through the education process and the accumulation of experience.

The fact that innate abilities are homogeneous may have important consequences from the economic point of view.

For instance, Galor and Zeira (1993) developed a model to analyze the direct effects of inequality on human capital accumulation and economic performance in the presence of imperfect capital markets. Assuming that human capital investment is indivisible, they showed that initial income distribution can affect output and investment in the long run. They assumed that individuals have identical innate ability and as a result, in their model different patterns of distribution are conducive to better economic performance. In other words, more equal income distribution does not necessarily imply better economic performance.

On the contrary, assuming heterogeneous innate abilities, Chiu (1998) showed that a more equal originating distribution implies a higher steady-state output level. Assuming that receiving a certain level of education is essential in having one's innate ability fully developed and used, he showed that greater income inequality can imply lower human capital accumulation and deterioration in subsequent generations' distribution of initial income.

This is just one example on how the fact that innate abilities be homogeneous or heterogeneous may lead to opposite conclusions.

## Appendix

Table 1. Argentina: intercept term values and standard errors

| Occupation | Intercept term | St. Error | Occupation | Intercept term | St. Error |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Power production plant operators | 2,98150 | 0,13599 | Road, rail or air transport manager | 1,89680 | 0,30973 |
| Secretary | 2,85833 | 0,34230 | Office clerk | 1,88670 | 0,08198 |
| IT applications programmer | 2,75053 | 0,12799 | Electronics engineering technicians | 1,88284 | 0,28385 |
| Systems analysts | 2,56808 | 0,29830 | Hotel and Restaurant Managers | 1,87619 | 0,56016 |
| Secondary education teacher | 2,54309 | 0,29825 | IT consultant | 1,87435 | 0,27470 |
| Surgeon | 2,53258 | 1,58044 | IT software tester | 1,86641 | 0,20874 |
| Marketing manager | 2,51350 | 0,32324 | Hotel front desk receptionists | 1,84700 | 0,31887 |
| Petroleum and natural gas refining plant operators | 2,43770 | 0,34655 | Accounting and bookkeeping clerks | 1,84528 | 0,12554 |
| Primary school teachers | 2,37293 | 0,14925 | Lawyers | 1,83798 | 0,55056 |
| Payroll clerk | 2,36223 | 0,18773 | IT information analyst | 1,82943 | 0,23630 |
| IT user support technician | 2,34445 | 0,15789 | Graphic designer | 1,81329 | 0,17378 |
| Research and development manager | 2,33046 | 0,25530 | Business administration professionals | 1,80828 | 0,49133 |
| Salary or personnel administrator | 2,29195 | 0,42417 | Legal assistants | 1,76472 | 0,24506 |
| Quality controller / inspector machines, appliances, vehicle | 2,24860 | 0,25060 | Social work professionals | 1,74887 | 0,40412 |
| Telephone switchboard operators | 2,24844 | 0,10217 | Quality controller / inspector other products | 1,74214 | 0,31112 |
| Web programmer | 2,22428 | 0,16119 | Housekeeper in hotels, offices or other establishments | 1,73015 | 0,34513 |
| Nurse | 2,21168 | 0,31421 | Shelf fillers | 1,72227 | 0,11552 |
| First line supervisor housekeeping workers | 2,18367 | 0,27898 | Office manager | 1,71630 | 0,22418 |
| Physical and engineering science technicians nec | 2,16241 | 0,27253 | Officer armed forces | 1,64809 | 0,59205 |
| Policy manager | 2,14161 | 0,52005 | Commercial traveller | 1,63434 | 0,24556 |
| Market vendor | 2,10072 | 0,16020 | Security guards | 1,63352 | 0,21975 |
| Personnel and careers professionals | 2,08006 | 0,29110 | Journalists | 1,62948 | 0,34823 |
| Transport clerk | 2,07912 | 0,19331 | Warehouse operative | 1,61400 | 0,24337 |
| Economists | 2,06600 | 0,64612 | Public relations officer | 1,61186 | 0,25750 |
| Physician (self employed) | 2,05390 | 1,17702 | Health associate professionals | 1,61025 | 0,38502 |
| Mechanical engineering technicians | 2,05201 | 0,23049 | Personnel officer | 1,58674 | 0,43090 |
| Statistical, finance and insurance clerks | 2,04467 | 0,25535 | Senior government official | 1,53198 | 0,36592 |
| Supply and Distribution Mangers | 2,03854 | 0,69553 | Finance or sales associate professionals | 1,52292 | 0,50182 |
| Petroleum chemist | 2,03115 | 0,47378 | University professor | 1,49327 | 0,43482 |
| Civil engineers | 2,02646 | 0,85075 | Stock clerk | 1,48628 | 0,43082 |
| Tax clerk | 2,02286 | 0,28758 | Industrial machinery mechanic | 1,47346 | 0,55620 |
| Electrical engineers | 2,01155 | 0,52088 | Client information worker | 1,45451 | 0,38081 |
| Cashiers and ticket clerks | 2,00667 | 0,43997 | Sales representative | 1,42531 | 0,30746 |
| Shop Managers | 1,99746 | 0,23128 | Tax advisor | 1,38785 | 0,34047 |
| Vocational education teachers | 1,99412 | 0,26818 | Computer equipment operator | 1,30481 | 0,21460 |
| Telephonist | 1,99105 | 0,34387 | IT software engineer | 1,19539 | 0,54950 |


| Market analyst | 1,98804 | 0,25456 | Municipal clerk | 1,12519 | 0,49639 |
| :--- | :--- | :--- | :--- | :--- | :--- |
| Financial department manager | 1,97064 | 0,70301 | Specialist medical practitioner | 1,10635 | 1,18178 |
| Police officer | 1,96704 | 0,18747 | Physician | 1,09310 | 0,68586 |
| ICT network and hardware <br> professionals | 1,94393 | 0,23467 | Truck driver | 1,09299 | 0,43257 |
| Bakers, pastry-cooks and <br> confectionery makers | 1,92388 | 0,21995 | Lawyers | 0,76899 | 0,55496 |
| Chemical engineers | 1,91351 | 0,37905 | Industrial engineer | 0,43971 | 0,56708 |
| Electronics engineers | 1,90310 | 0,66492 |  |  |  |

Table 2. Argentina: \% rejections of the null hypothesis of equal intercepts

| Occupation | 1 | 2 | Occupation | 1 | 2 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Power production plant operators | 80,95\% | 77,38\% | Road, rail or air transport manager | 5,95\% | 4,76\% |
| Secretary | 65,48\% | 53,57\% | Office clerk | 19,05\% | 14,29\% |
| IT applications programmer | 72,62\% | 64,29\% | Electronics engineering technicians | 7,14\% | 4,76\% |
| Systems analysts | 44,05\% | 29,76\% | Hotel and Restaurant Managers | 2,38\% | 0,00\% |
| Secondary education teacher | 40,48\% | 27,38\% | IT consultant | 8,33\% | 4,76\% |
| Surgeon | 0,00\% | 0,00\% | IT software tester | 14,29\% | 5,95\% |
| Marketing manager | 36,90\% | 19,05\% | Hotel front desk receptionists | 7,14\% | 4,76\% |
| Petroleum and natural gas refining plant operators | 23,81\% | 8,33\% | Accounting and bookkeeping clerks | 19,05\% | 13,10\% |
| Primary school teachers | 40,48\% | 27,38\% | Lawyers | 2,38\% | 1,19\% |
| Payroll clerk | 36,90\% | 23,81\% | IT information analyst | 13,10\% | 4,76\% |
| IT user support technician | 36,90\% | 26,19\% | Graphic designer | 17,86\% | 11,90\% |
| Research and development manager | 27,38\% | 15,48\% | Business administration professionals | 4,76\% | 1,19\% |
| Salary or personnel administrator | 8,33\% | 4,76\% | Legal assistants | 13,10\% | 9,52\% |
| Quality controller / inspector machines, appliances, vehicle | 19,05\% | 9,52\% | Social work professionals | 4,76\% | 3,57\% |
| Telephone switchboard operators | 32,14\% | 22,62\% | Quality controller / inspector other products | 11,90\% | 4,76\% |
| Web programmer | 26,19\% | 16,67\% | Housekeeper in hotels, offices or other establishments | 9,52\% | 3,57\% |
| Nurse | 9,52\% | 5,95\% | Shelf fillers | 21,43\% | 15,48\% |
| First line supervisor housekeeping workers | 10,71\% | 5,95\% | Office manager | 16,67\% | 13,10\% |
| Physical and engineering science technicians nec | 10,71\% | 5,95\% | Officer armed forces | 3,57\% | 1,19\% |
| Policy manager | 2,38\% | 1,19\% | Commercial traveller | 17,86\% | 14,29\% |
| Market vendor | 15,48\% | 8,33\% | Security guards | 19,05\% | 15,48\% |
| Personnel and careers professionals | 9,52\% | 5,95\% | Journalists | 14,29\% | 7,14\% |
| Transport clerk | 11,90\% | 8,33\% | Warehouse operative | 19,05\% | 14,29\% |
| Economists | 1,19\% | 0,00\% | Public relations officer | 17,86\% | 14,29\% |
| Physician (self employed) | 0,00\% | 0,00\% | Health associate professionals | 11,90\% | 4,76\% |
| Mechanical engineering technicians | 9,52\% | 5,95\% | Personnel officer | 10,71\% | 3,57\% |
| Statistical, finance and insurance clerks | 9,52\% | 5,95\% | Senior government official | 15,48\% | 10,71\% |
| Supply and Distribution Mangers | 1,19\% | 0,00\% | Finance or sales associate professionals | 7,14\% | 3,57\% |
| Petroleum chemist | 3,57\% | 1,19\% | University professor | 14,29\% | 5,95\% |
| Civil engineers | 0,00\% | 0,00\% | Stock clerk | 14,29\% | 5,95\% |
| Tax clerk | 8,33\% | 5,95\% | Industrial machinery mechanic | 5,95\% | 3,57\% |
| Electrical engineers | 2,38\% | 1,19\% | Client information worker | 16,67\% | 11,90\% |
| Cashiers and ticket clerks | 3,57\% | 2,38\% | Sales representative | 23,81\% | 16,67\% |
| Shop Managers | 8,33\% | 7,14\% | Tax advisor | 23,81\% | 16,67\% |
| Vocational education teachers | 8,33\% | 7,14\% | Computer equipment operator | 42,86\% | 38,10\% |
| Telephonist | 7,14\% | 3,57\% | IT software engineer | 16,67\% | 10,71\% |
| Market analyst | 8,33\% | 7,14\% | Municipal clerk | 27,38\% | 16,67\% |
| Financial department manager | 1,19\% | 0,00\% | Specialist medical practitioner | 0,00\% | 0,00\% |
| Police officer | 10,71\% | 7,14\% | Physician | 14,29\% | 4,76\% |
| ICT network and hardware professionals | 8,33\% | 5,95\% | Truck driver | 38,10\% | 23,81\% |
| Bakers, pastry-cooks and confectionery makers | 11,90\% | 5,95\% | Lawyers | 53,57\% | 34,52\% |
| Chemical engineers | 5,95\% | 3,57\% | Industrial engineer | 76,19\% | 59,52\% |
| Electronics engineers | 1,19\% | 0,00\% |  |  |  |

Table 3. Brazil: \% rejections of the null hypothesis of equal intercepts

| Occupation | \% rejections | Intercept value |
| :---: | :---: | :---: |
| General Practitioner GP | 96.53\% | 2.87912 |
| Aircraft pilots and related associated profesionals | 86.13\% | 2.38619 |
| Civil Engineer | 83.24\% | 2.26532 |
| Mechanical Engineer | 76.88\% | 2.11987 |
| Insurance Representative | 73.99\% | 0.10291 |
| IT system analist | 70.52\% | 2.05078 |
| Bank clerk | 70.52\% | 2.13485 |
| Communication professional | 63.58\% | 0.27306 |
| Chemical Engineer | 58.38\% | 2.08442 |
| Authors and related writers | 53.76\% | 0.39389 |
| Legal Assistant | 53.76\% | 0.25567 |
| Electrical line installer o repairer | 52.60\% | 1.92807 |
| Lifting - truck operator | 51.45\% | 1.75785 |
| Financial manager | 50.29\% | 0.42689 |
| Electrical engineer | 49.13\% | 1.81909 |
| Sales manager | 46.82\% | 0.25514 |
| Car, taxi and van drivers | 46.24\% | 1.51149 |
| Corporate core services manager | 45.66\% | 0.55632 |
| Electronics engineerin techinician | 42.77\% | 1.47196 |
| Other phisical or engineering science technician | 42.20\% | 1.67191 |
| Other manufacturing helper | 39.88\% | 0.57382 |
| Profesional sportsperson | 39.31\% | -0.04021 |
| Supply and distribution mangers | 36.42\% | 0.5436 |
| Stock clerk | 36.42\% | 0.49972 |
| Statistical, finance and insurance clerks | 35.26\% | 0.68444 |
| Financial analyst | 34.10\% | 1.54272 |
| Order Clerk | 32.37\% | 0.57446 |
| Legal Advisor | 29.48\% | 1.72162 |
| Researcher and development manager | 27.75\% | 0.4898 |
| Electronics engineer | 26.59\% | 1.54431 |
| Dentist | 26.59\% | 2.03086 |
| Logistics worker | 26.01\% | 0.77814 |
| Telecommunications engineer | 26.01\% | 1.82278 |
| Social work associate professional | 25.43\% | 1.60953 |
| Electrical engineering techinician | 25.43\% | 1.54176 |
| Secretary (general) | 24.86\% | 0.75816 |
| First line supervisor of manufacturing workers | 24.86\% | 1.51775 |
| Payrol clerk | 24.86\% | 0.74729 |
| Travel agent | 24.28\% | 1.45852 |
| Lawyer | 23.12\% | 1.50616 |
| Buyers | 23.12\% | 0.72326 |
| Lathe or turning ma<zchine tool setter - operator | 23.12\% | 1.39467 |
| ITA applications programmer | 21.97\% | 1.3702 |
| Porter | 21.97\% | 1.38109 |
| Office clerk | 21.39\% | 0.86627 |
| Metallurgy technician | 21.39\% | 1.34447 |
| Accounting and bookkeeping clerks | 20.81\% | 0.97718 |
| Salary or personnel administrator | 20.81\% | 0.90617 |
| Personnel and careers professionals | 20.23\% | 0.83144 |
| Shop Managers | 20.23\% | 0.8439 |
| Other software or multimedia developer or analyst | 20.23\% | 0.5958 |
| Sales agent | 19.65\% | 0.79611 |
| Civil engineer technician | 19.65\% | 1.44862 |
| ICT network and hardware professionals | 19.08\% | 0.94262 |


| Occupation | \% rejections | Intercept value |
| :---: | :---: | :---: |
| Other services manager | 19.08\% | 0.8071 |
| Personnel officer | 19.08\% | 0.62904 |
| Production clerk | 19.08\% | 1.41295 |
| ITA operations technician | 18.50\% | 0.91786 |
| Transport clerk | 18.50\% | 0.74277 |
| Other electrician | 17.92\% | 1.48321 |
| Other finance or sales associate professional | 17.34\% | 1.16115 |
| Receptionist | 17.34\% | 1.09469 |
| Social work professionals | 17.34\% | 0.62447 |
| Other health associate professionals | 17.34\% | 1.34791 |
| Petroleum or natural gas refining plant operator | 17.34\% | 1.67532 |
| Call centre agent outbound | 17.34\% | 1.5635 |
| Draughtsperson | 16.76\% | 1.16898 |
| Other client information worker | 16.76\% | 0.81419 |
| Sales clerk | 15.61\% | 1.0927 |
| Display decorator | 15.61\% | 1.17852 |
| First line supervisor of mechanics, installer or repaires | 15.61\% | 0.58497 |
| Aministrative services manager | 15.03\% | 1.09502 |
| Marketing clerk | 15.03\% | 1.24976 |
| Accounting associate professional | 14.45\% | 1.05179 |
| Personnel planning clerk | 14.45\% | 1.01486 |
| ITA user support technician | 14.45\% | 1.07884 |
| Door to door salesperson | 14.45\% | 0.97163 |
| Primary school teacher | 14.45\% | 1.26645 |
| Transport and storage lobourers | 14.45\% | 1.09374 |
| Financial clerk | 14.45\% | 1.27326 |
| Other department manager | 14.45\% | 0.87906 |
| Credit analyst | 13.87\% | 0.5583 |
| Other shop manager, non - owner | 13.29\% | 1.13301 |
| Other teaching professionals | 13.29\% | 0.70889 |
| Other IT network or hardware professional | 13.29\% | 1.14694 |
| Shelf stacker | 13.29\% | 1.04382 |
| Other personal care or related worker | 13.29\% | 1.16942 |
| Mechanical engineering technician | 13.29\% | 0.73474 |
| Electronics mechanic or servicer | 13.29\% | 0.77756 |
| Invoice clerk | 12.72\% | 1.00555 |
| Medical laboratory technician | 12.72\% | 1.50767 |
| Chemical process operator | 12.72\% | 1.54922 |
| Occupational health or safety officer | 12.14\% | 1.09437 |
| Marketing professional | 12.14\% | 0.70095 |
| Logistics manager | 12.14\% | 0.75315 |
| Sales representative other products | 11.56\% | 1.05948 |
| Administrative secretary | 11.56\% | 1.05196 |
| Personnel clerk | 11.56\% | 1.05816 |
| Typist or word processing operator | 11.56\% | 0.97912 |
| Administrative and executive secretaries | 11.56\% | 1.27694 |
| Business administration professionals | 10.98\% | 0.95809 |
| IT software engineer | 10.98\% | 1.0273 |
| Policy manager | 10.98\% | 1.2945 |
| Form filling assistance clerk | 10.98\% | 1.10861 |
| Buyer other products/services | 10.98\% | 0.9882 |
| Other sales worker | 10.40\% | 1.0783 |
| Accountant | 10.40\% | 0.79308 |
| Telephone switchborard operator | 10.40\% | 1.15803 |
| Production or operations manager | 10.40\% | 0.94384 |
| Vocational education teachers | 10.40\% | 1.36672 |
| Machine tool setter or machine tool setter - operator | 10.40\% | 1.0153 |
| ITA network specialist | 10.40\% | 1.39202 |


| Occupation | \% rejections | Intercept value |
| :---: | :---: | :---: |
| Production planning clerk | 10.40\% | 0.85477 |
| Chemical engineering technician | 10.40\% | 1.36112 |
| Other teaching professionals | 10.40\% | 0.55157 |
| Education advisor | 10.40\% | 0.47374 |
| ITA manager | 9.83\% | 1.282 |
| Protective services workers | 9.83\% | 1.25659 |
| Chemist | 9.83\% | 0.97494 |
| Cashier | 9.83\% | 1.24221 |
| Computer equipment operator | 9.83\% | 0.9758 |
| Police officer | 9.83\% | 1.41993 |
| Other health associate professionals | 9.25\% | 1.12915 |
| Ticket - clerk and cashier | 9.25\% | 0.95107 |
| Other business professional | 8.67\% | 1.40121 |
| Human respirces manager | 8.09\% | 0.96756 |
| Electrician | 8.09\% | 0.91782 |
| Power production plant operator | 8.09\% | 1.20965 |
| Accounts clerk | 8.09\% | 0.94643 |
| IT projet leader | 8.09\% | 1.49129 |
| Telecommunications engineer technician | 8.09\% | 1.53406 |
| Truck driver | 7.51\% | 0.90884 |
| Building architect | 7.51\% | 1.23438 |
| Printing machine operator | 7.51\% | 1.13692 |
| Other legal profesional | 6.94\% | 0.76302 |
| Multimedia designer | 6.94\% | 0.98891 |
| Cleaner in offices, schools or other establishments | 6.94\% | 1.0193 |
| Other professional engineer | 6.94\% | 1.71535 |
| Graphic designer (secondary level) | 6.36\% | 1.11854 |
| Textile, garment and related trades workers | 5.78\% | 0.93408 |
| ITA hardware testing technician | 5.78\% | 0.88156 |
| Markwet - oriented miced crop and animal producers | 5.20\% | 1.02472 |
| Quality controller/inspector chemical products | 5.20\% | 1.08579 |
| Education methods specilalist | 5.20\% | 1.6101 |
| Financial department manager | 4.62\% | 1.11608 |
| Nursing associate professional | 4.62\% | 1.11693 |
| Personnel department manager | 4.62\% | 1.04848 |
| Mathermaticians and related professionals | 4.62\% | 1.12837 |
| Tax advisor | 4.62\% | 0.90105 |
| Mining manager | 4.62\% | 0.98141 |
| IT department manager | 4.62\% | 0.73098 |
| Shop salespersons | 4.62\% | 1.02237 |
| Quality controller/inspector other products | 4.62\% | 1.04089 |
| Electrical - equipment assembler | 4.62\% | 1.03728 |
| Senior government official | 4.05\% | 0.96051 |
| Physiotherapist | 4.05\% | 1.24138 |
| Market analyst | 3.47\% | 1.01021 |
| Debt - collectors and related workers | 3.47\% | 0.97021 |
| Car driver | 3.47\% | 1.18839 |
| Other secretary | 2.89\% | 1.26174 |
| Database administrator (dba) | 2.89\% | 1.28979 |
| Economist | 2.31\% | 1.07421 |
| Construction manager | 2.31\% | 1.04553 |
| Distriburtion centre or warehouse manager | 2.31\% | 0.81606 |
| Agricultural machinery mechanic | 1.73\% | 1.17861 |
| Company Directors and chief executives | 1.16\% | 1.37605 |
| Executive secretary | 1.16\% | 1.52551 |
| Marketing manager | 1.16\% | 1.49605 |
| Manufacturing Managers | 1.16\% | 1.17964 |
| Legal and related associate professionals | 0.58\% | 1.61639 |


| Occupation | \% rejections | Intercept value |
| :--- | :--- | :--- |
| Farm, forestry and fisheries managers | $0.58 \%$ | 1.05883 |
| Biologists, botanists, zoologists and related professionals | $0.58 \%$ | 1.12183 |
| Company director, chief executive of $10-50$ employees | $0.00 \%$ | 1.47999 |

Table 4. United Kingdom: \% rejections of the null hypothesis of equal intercepts

| Occupations | \% rejections | Intercept term |
| :---: | :---: | :---: |
| Researcher/Writer | 73,41\% | 3,44486 |
| Brand Manager, Product Manager | 60,12\% | 0,80194 |
| Quantity Surveyor | 53,18\% | 3,06904 |
| Solicitor | 52,02\% | 3,17841 |
| Financial Analyst | 52,02\% | 3,26796 |
| Credit Controllers | 43,93\% | 0,81024 |
| Computer Application Programmer | 38,73\% | 3,15801 |
| Secretary (general) | 34,10\% | 0,89265 |
| Laboratory Technician, Analyst | 33,53\% | 1,3615 |
| Sales and Marketing Manager | 31,79\% | 2,94774 |
| Call Center Agent, Call Center Operator | 30,64\% | 1,62544 |
| Chefs, Cooks | 30,64\% | 1,26159 |
| Other shop manager, non-owner | 28,32\% | 1,16722 |
| HR consultant | 28,32\% | 2,82589 |
| Addetto Logistica | 26,59\% | 1,60537 |
| Bus Driver, Recreational | 26,01\% | 1,71171 |
| Business Professionals Nec | 24,28\% | 1,69708 |
| Production or Operations Manager | 23,70\% | 1,6506 |
| Responsabile del Personale | 23,12\% | 2,82544 |
| 200000000 | 22,54\% | 1,29296 |
| Civil Service Executive Officers | 21,97\% | 1,69962 |
| Other Finance or Sales Associate Professional | 21,39\% | 1,22896 |
| Manager of Small Enterprises in Wholesale and Retail Trade | 20,23\% | 1,84587 |
| Helpdesk Information Provider, Computer Assistant | 19,08\% | 1,71204 |
| Truck Driver | 16,18\% | 2,03946 |
| Biologists, Botanists, Zoologists and Related Professionals | 15,61\% | 2,84248 |
| Chemical Engineers | 15,03\% | 2,88407 |
| Finance and Investment Analysts/ Advisers | 14,45\% | 2,86868 |
| Careers Advisers and Vocational Guidance Specialists | 14,45\% | 2,71461 |
| Heavy Truck and Lorry Drivers | 13,29\% | 2,43447 |
| Retail Cashiers and Checkout Operators | 13,29\% | 1,92374 |
| Sales Assistant | 12,72\% | 1,89427 |
| 41900000000 | 12,72\% | 2,71454 |
| Computing Services Manager | 12,72\% | 2,62209 |
| Legal Assistant | 12,14\% | 2,83704 |
| Marketing Manager | 12,14\% | 2,65337 |
| Department Manager | 12,14\% | 2,54036 |
| Salary or Personnel Administrator | 11,56\% | 2,58579 |
| Administrative Secretaries and Related Associate Professional | 11,56\% | 2,5344 |
| Electronics and Telecommnications Engineering Technicians | 11,56\% | 2,47492 |
| Systems Analyst | 11,56\% | 2,92742 |
| Team Leader | 11,56\% | 2,58186 |
| Other Department Manager | 10,98\% | 1,67188 |
| IT Systems Administrator | 10,98\% | 2,48225 |
| Design and Development Engineers | 10,98\% | 2,56203 |
| Youth and Community Workers | 10,98\% | 2,78936 |
| Human Resource Manager | 10,98\% | 2,81878 |
| Marketing Staff | 10,40\% | 2,36962 |
| Legal Professional | 10,40\% | 2,57466 |
| Motor Vehicle Mechanics and Fitters | 10,40\% | 2,4237 |


| Occupations | \% rejections | Intercept term |
| :---: | :---: | :---: |
| Segurity Guard | 9,83\% | 1,99581 |
| Legal Secretary | 9,83\% | 2,29992 |
| Chemist | 9,83\% | 2,53751 |
| Directors Secretary | 9,83\% | 2,58772 |
| Manager Other Department | 9,25\% | 2,46457 |
| Production and Operations Manager in Business | 9,25\% | 2,57158 |
| Other Services Manager | 9,25\% | 2,58939 |
| Classroom Teacher | 9,25\% | 2,55261 |
| Head of Department, Head of Year, Head of House | 9,25\% | 2,61223 |
| General Manager | 8,67\% | 2,4148 |
| Civil Service Administrative Officers and Assistants | 8,67\% | 2,45394 |
| Transport and Distribution Manager | 8,67\% | 1,7669 |
| Directors and Chief Executives | 7,51\% | 1,89851 |
| Personnel Office | 7,51\% | 2,56712 |
| Host (ess) | 7,51\% | 1,93756 |
| Accounting Associate Professional | 7,51\% | 2,43637 |
| Administrator | 6,94\% | 2,12838 |
| Accountants | 6,94\% | 2,32277 |
| Personnel Planning Clerk | 6,94\% | 2,44297 |
| Institution Based personal Care Workers | 6,94\% | 2,45153 |
| Facilities Manager | 6,94\% | 2,62103 |
| Payroll Officer | 6,36\% | 1,71324 |
| Sales Representative | 6,36\% | 1,58401 |
| Clerical Assistant | 5,78\% | 2,11417 |
| University Lecturer | 5,78\% | 2,28773 |
| Administrative Assistant | 5,20\% | 2,1278 |
| Accountats | 5,20\% | 2,18081 |
| Administrative Services Manager | 5,20\% | 2,07913 |
| IT Consultant, Business Consultant | 5,20\% | 2,36447 |
| Financial and Accounting Techinicians | 5,20\% | 2,1804 |
| Service Engineer/Technician | 5,20\% | 2,0096 |
| Accounts Clerk | 5,20\% | 2,04228 |
| Customer Care Manager | 5,20\% | 2,54512 |
| Store Manager | 5,20\% | 2,05145 |
| Supervisor | 5,20\% | 2,1786 |
| Teaching Professional Nec | 5,20\% | 2,37823 |
| Van Driver, Deliveryman | 5,20\% | 2,07835 |
| Other IT Network or Hardware Professional | 5,20\% | 2,89581 |
| Bookkeeper | 5,20\% | 2,08768 |
| Manager of Small Enterprises in Construction | 5,20\% | 2,00319 |
| Administrative Officer | 4,62\% | 2,21932 |
| Office Manager | 4,62\% | 2,15937 |
| Warehouse Operative | 4,62\% | 1,93982 |
| Database administrator (dba) | 4,62\% | 2,91787 |
| Accounts and Wages Clerks, Bookkeepers, Other Financial Cler | 4,05\% | 2,46305 |
| Educational Assistants | 4,05\% | 1,78735 |
| Electrical Engineer | 4,05\% | 2,20104 |
| Higher Education Teaching Professional | 4,05\% | 2,06636 |
| Clerk | 4,05\% | 1,71407 |
| Other business Professional | 4,05\% | 2,51435 |
| Cleaner | 4,05\% | 2,20425 |
| Commercial Traveller | 4,05\% | 1,39781 |
| Lawyer | 4,05\% | 1,59717 |
| Electronics and Telecommnications Engineers | 3,47\% | 2,11863 |
| Agricultural or Insdustrial Machinery mechanics and Fitters | 3,47\% | 2,14796 |
| Marketing Assistant | 3,47\% | 2,13127 |
| Website Builder/Programmer | 3,47\% | 1,57896 |
| Network Engineer | 3,47\% | 2,27845 |


| Occupations | \% rejections | Intercept term |
| :---: | :---: | :---: |
| Personnel Administrator | 3,47\% | 1,64371 |
| Civil Service Higher Executive Officer | 3,47\% | 2,52415 |
| Other Health Assicuate Orifessuibak | 2,89\% | 1,68389 |
| Customer Advusir | 2,89\% | 1,76376 |
| Quality Managewr | 2,89\% | 1,96542 |
| Healthcare Assistant | 2,89\% | 2,75108 |
| IT Manager | 2,89\% | 2,14561 |
| Bank Clerk | 2,89\% | 2,01238 |
| Information Analyst | 2,89\% | 2,21495 |
| Materials Engineer | 2,89\% | 1,75609 |
| Sales Representative: Computer Equipment | 2,89\% | 1,86933 |
| Electrical / Electronics Engineers Nec | 2,89\% | 2,00786 |
| Buyer: Other Products/Services | 2,89\% | 2,2512 |
| Receptionist | 2,31\% | 1,99323 |
| Unit Manager | 2,31\% | 2,44631 |
| Administrative Manager | 2,31\% | 1,88747 |
| Support Worker | 2,31\% | 1,87942 |
| Direttore Finanziario | 2,31\% | 1,97623 |
| Shelf Stacker | 2,31\% | 2,46357 |
| Executive Scretary/ Assistant | 2,31\% | 1,88791 |
| Civil Engineer | 1,73\% | 1,52383 |
| Legal Advisor | 1,73\% | 1,9957 |
| Insurance Representative | 1,73\% | 2,55663 |
| Social Work Professional | 1,73\% | 1,77757 |
| Catering manager | 1,73\% | 2,54278 |
| Management Accountants | 1,16\% | 2,38604 |
| Publicans and Manager of Licensed Premises | 1,16\% | 2,3821 |
| IT Software Engineer | 1,16\% | 2,16258 |
| Public Relations Officer | 1,16\% | 2,02767 |
| Manager of Small Enterprises Nec | 1,16\% | 2,28333 |
| IT Systems Analyst | 1,16\% | 2,55408 |
| Hospital Nurse | 1,16\% | 2,41119 |
| Chief Executive's Secretary/PA | 1,16\% | 2,36832 |
| Personal Assistant | 0,58\% | 2,52522 |
| Personal Assistant | 0,58\% | 1,77702 |
| Management Consultants, Actuaries, Economists and Statici | 0,58\% | 2,13461 |
| Nursery Nurses | 0,58\% | 1,53418 |
| Team Leader, Supervisor Call Center | 0,58\% | 2,34361 |
| HR Advisor | 0,58\% | 2,4968 |
| Child-Care | 0,58\% | 2,62705 |
| Database Administrator, Network Administrator | 0,58\% | 2,09481 |
| Marketing Associate Professional | 0,58\% | 2,01512 |
| Accounting and Bookeeping Clerks | 0,58\% | 2,38277 |
| Receptionist, Counter Staff | 0,58\% | 1,43955 |
| Electrical Engineers | 0,58\% | 2,11622 |
| Office Manager | 0,58\% | 2,04403 |
| Graphic Designer | 0,58\% | 1,73221 |
| Local Government Clerical Officers and Assistants | 0,58\% | 2,08059 |
| Engineering Craftsman | 0,58\% | 2,49907 |
| 42120500826 | 0,58\% | 2,56874 |
| Marketing Professional | 0,58\% | 2,75464 |
| Customer Service Representative | 0,58\% | 1,81692 |
| Housing and Welfare Officers | 0,58\% | 2,43421 |
| Restaurant and Catering Managers | 0,58\% | 2,03916 |
| Financial Institution manager | 0,58\% | 2,13097 |
| Personnel Officer | 0,58\% | 1,73915 |
| Secretary | 0,00\% | 2,11124 |
| IT User support Technician | 0,00\% | 2,21266 |


| Occupations | \% rejections | Intercept term |
| :---: | :---: | :---: |
| Software Engineer | 0,00\% | 2,29604 |
| Corporate Core Services manager | 0,00\% | 2,18292 |
| Financial Analyst | 0,00\% | 2,15524 |
| Other Teaching Professional | 0,00\% | 2,32997 |
| Personnel Assistant | 0,00\% | 2,19203 |
| Call Center Agent Inbound | 0,00\% | 1,97097 |
| Road, Rail or Air Transport Manager | 0,00\% | 1,43388 |
| Other Manufacturing Helper | 0,00\% | 2,0813 |
| Construction Manager | 0,00\% | 2,10095 |
| IT Applications Programmer | 0,00\% | 1,34315 |
| Architectural Technologists and Town Planning Technicians | 0,00\% | 2,00809 |
| Office Manager | 0,00\% | 2,1756 |
| Telephone Sales persons | 0,00\% | 2,2319 |

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[^0]:    1 The authors are indebted to Luis E. Campoverde for his cooperation in this research.
    2 For an explanation of the economic model underlying the WageIndicator salary checker see Beker, V.A., (2008). The economic model underlying theWageindicators salary checks. Buenos Aires, Universidad de Belgrano, at http://www.wageindicator.org/documents/publicationslist/publications_2008/080820-Victor-Beker\%20-\%20Salary-check.pdf

[^1]:    3 "Fourthly, of the acquired and useful abilities of all the inhabitants or members of the society. The acquisition of such talents, by the maintenance of the acquirer during his education, study, or apprenticeship, always costs a real expense, which is a capital fixed and realized, as it were, in his person." Smith (1776), Book 2.
    4 See Polachek (2007) for a survey on the development of the human capital approach and the Mincer earnings function in particular.

[^2]:    5 See www.elsalario.com.ar/main/Comparatusalario

