

The paper aims to measure the extent of pay discrimination between male and female regular wage earners in Turkey at two points in time. The authors use the 2003 and 2010 Household Budget Surveys of the Turkish Statistical Institute. Using the Oaxaca-Blinder and Juhn-Murphy-Pierce (JMP) decomposition methods, they arrive at the conclusion that 57-61% of the gender wage gap is due to discrimination and that discrimination is higher among the higher income groups.

This paper is one of the many that look at the gender wage gap. It is clearly written – though a bit repetitive at times – offering evidence on the gender wage gap from a developing country where female participation in the labor market is rather low. I remunerate below some concerns and ways to improve the paper:

1. We do not find out how big the gender wage gap is until much later in the paper. The authors need to motivate the paper by presenting fact and figures about the gender wage gap. It is not sufficient to provide the extent of the wage discrimination, the reader needs to know the size of the wage gap itself.
2. The authors state that they contribute to the (national) literature by providing evidence on the gender-wage discrimination at two points in time (2003 and 2010). What is so special about these two dates? Why not use some later year in place of 2010? Do we expect the wage gap and the extent of discrimination to fall or rise over time? Since there is a time component, there is a need to provide a sense of why the authors compare the two time periods. Why not look at the evolution of the wage gap over time?
3. The review of the empirical evidence fails to provide a sense of why the estimates vary so quite widely and the way in which these results can be reconciled.
4. The theoretical background is unnecessarily long. Much of what is described in this section would be well known to anyone even mildly interested in this topic. I suggest cutting much of this section and concentrating on the advantages and drawbacks of using Oaxaca –Blinder and Juhn-Murphy-Pierce decomposition methods in measuring wage discrimination. How is selection handled in the Juhn-Murphy-Pierce decomposition? Especially when selection changes over time?
5. The dependent variable used is monthly wages. The human capital model dictates that this should be hourly wages. Given the substantial difference in the hours of work between men and women, and hours of work being a choice variable – at least to some extent - using it as a RHS variable does not seem appropriate.
6. Why disregard the casual workers? The sample should consist of all wage earners. Assigning zero wages to casual workers is not correct.
7. Much of the RHS variables in the wage equation are endogenous, which must be acknowledged. Given that the paper falls short of establishing any causal relationship, the claim on how union status affects wages is unfounded (p. 21). In general, I would shy away from making strong claims based on the wage function presented in the paper.
8. Are there controls for regions? Urban/rural settlements?
9. Footnote 6: Why not express wages in real terms? One would like to see how real wages evolve and compare across time.
10. The selection correction must be related to what is chosen as the dependent variable in the second stage. Since the dependent variable is being wage/salary worker, this is the status that must be estimated in the first stage and not lfp.
11. There are some puzzling results – possibly typos – in Table 5. The intercept terms in 2010 look wrong. Since this is a probit estimation, along with the coefficients, one would like to see marginal effects and standard errors not t-values. The diagnostics must be reported as well.
12. Table 6: Intercept terms in 2010 are funny. Apart from this some results are strange. Is it possible that women's monthly earning are maximized at 25.83 years in 2003 but at 45 years in 2010? For men, the drop from 46.3 years to 33.8 years from 2003 to 2010 also looks strange.
13. The interpretation of the inverse mills ratio is not correct (p.22).

14. The results are interpreted as if one cross-section is used. There is very little attempt in the paper to discuss changes over time in the estimated coefficients. There is a lot of repetition in section 7. Points discussed earlier are raised again in this section with very little value added.

15. In reduced form estimation (the results not given) tenure is endogenous. If the point is to estimate wage equations based on exogenous human capital variables, one needs to omit the tenure variable. How is experience defined?

16. Reduce or eliminate the emphasis on cohorts since no robust finding emerges.

17. Why should discrimination increase over time? If it is indeed increasing, this is a point that must be emphasized and further explored in the paper.

18. The other interesting finding is higher discrimination faced by women in higher income groups. This is a point that would increase the value added of the paper. Why is this the case? Go beyond conjectures, try to provide answers both at a point in time and across time.