

**Does trade liberalization help to reduce gender inequality? :
A cross-country panel data analysis of wage gap**

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Abstract

This paper examines the relationship between trade openness and the gender wage gap using the wage data divided into 6 sectors and 3 different skill levels (high-, medium- and low-skill) in 19 developed countries from 1995 to 2005. We apply various empirical methodologies, the static and dynamic panel analysis model to investigate whether greater trade openness has affected the gender wage gap. The result indicates that trade openness decreases the gender wage gap in the medium- and low-skill level, which is consistent with the previous studies (Becker, 1957). We assume this is probably because of labor mobility, which enables medium- and low-skill level workers change their jobs more flexibly than high-skill workers since they cannot generally get promoted to powerful position through their work and also their jobs are not fully counted on their previous careers or academic backgrounds.

Key words: international trade, wage gap, gender

JEL classification codes: F16, J16