

Income Unfairness and Occupational Choice

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Abstract

In this paper, we reassessed labor-market adjustment by using an indicator of occupational income unfairness (OIU) which shows whether workers are paid equal to what is warranted by their effort. Although an empirically derived unfairness indicator does not necessarily reflect workers' perceived unfairness, OIU in some occupations indicates the existence of a labor-market adjustment mechanism. However, unfairness remains in some occupations, perhaps because it is caused by structural development problems.

JEL classification: D63; J24; J31

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