

Educational Expansion and Earnings Inequality in Taiwan: 1978-1995

Way Sun

National Central University

T. H. Gindling

University of Maryland Baltimore County

ABSTRACT

In this paper we measure the wage compression and composition effects of educational expansion on the variance of real earnings in Taiwan from 1978 to 1995. We find that the wage compression effect of educational expansion is equalizing throughout the 1979-1994 period. We also find that the composition effect exhibits the inverted-U property. The composition effect is disequalizing in the early years (the late 1970s and early 1980s), and equalizing in the later years (the late 1980s and the 1990s). From 1978 to 1983 the disequalizing composition effect is greater than the equalizing price effect, causing the total impact of educational expansion on earnings inequality to be disequalizing. From 1983 to 1989 the equalizing wage compression effect is larger than the disequalizing composition effect, causing the total impact of educational expansion to be equalizing. From 1989 to 1995, both the wage compression and composition effects are equalizing, and therefore the total impact of educational expansion on earnings inequality was also equalizing. The overall impact of educational expansion in Taiwan between 1978 and 1995 was therefore equalizing. If there had been no educational expansion (and if the distribution and returns to other human capital had remained constant), the variance in the log of real earnings for paid employees would have increased rather than decreased.

Key Words: earnings inequality, compression effect, composition effects,
price effect

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台灣的教育擴張與收入不平等： 1978 年至 1995 年

孫煒

國立中央大學通識教育中心助理教授

T. H. Gindling

美國馬里蘭大學經濟系副教授

摘 要

在這篇論文之中我們度量了台灣在 1978 年至 1995 年之間，教育擴張對於真實收入變動所產生的工資混合效果與壓縮效果。我們發現教育擴張的壓縮效果在 1979 年至 1994 年之間是相等的，我們也發現教育擴張的混合效果在 1970 年代後期和 1980 年代早期是不相等的，但在 1980 年代後期以及 1990 年代卻是相等的。詳言之，在 1978 年至 1983 年之間不平等化的混合效果大於平等化的價格效果，因此在此時期教育擴張增加了收入不平等的現象。在 1983 年至 1989 年之間平等化的壓縮效果大於不平等化的混合效果，因此在此時期教育擴張減少了收入不平等的現象。在 1989 年至 1995 年之間混合效果與壓縮效果是相等的，因此在此時期教育擴張對於收入不平等並無明顯的影響。總的來說，在 1978 年至 1995 年之間台灣教育擴張傾向於減少收入不平等的現象。

關鍵詞：收入不平等、混合效果、壓縮效果、價格效果