

# **Estimating the reservation wage across cities in Colombia: A stochastic frontier approach**

LATIN AMERICAN ECONOMIC REVIEW

**DOI:**

<https://doi.org/10.60758/laer.v32.152>

**Publicado:**

Viernes, 29 Diciembre 2023

**Authors:**

[Luz Adriana Flórez,](#)

[Ligia Alba Melo-Becerra,](#)

Carlos Esteban Posada

**Clasificación JEL:**

C40

[Descargar documento](#)

## **Lo más reciente**

[Simulación dinámica de balances y predicción del incumplimiento crediticio: un modelo de prueba de estrés para firmas colombianas](#)

Diego Fernando Cuesta-Mora, Gómez-Molina Andrés Camilo

[Modelo Fiscal Colombiano para la Evaluación Económica](#)

Andrés Nicolás Herrera-Rojas, David Camilo López-Valenzuela, Juan José Ospina-Tejeiro, Jesús Antonio Bejarano-Rojas

[Mitos y realidades del Catatumbo](#)

Jaime Alfredo Bonet-Moron, Yuri Carolina Reina-Aranza, Adriana Ortega, Ana Rosa Polanco

[Otras Publicaciones](#)

We use the stochastic frontier approach to estimate the reservation wage across different city groups in Colombia. We use the information of GEIH from 2008-2019 of 23 urban cities. We find empirical evidence in favor of the search theory predictions that suggest a positive relationship between the reservation wage with the level of education and the net family labor income. We also find a gender gap in the reservation wage and explore this gap, controlling by the level of education and the presence of children in the household. Contrary to the results found in the literature, we find that the presence of children reduces the reservation wage of women and men. Finally, we found that the reservation wage increases with the development and productivity of the cities.