



Università
di Genova

DIEC DIPARTIMENTO
DI ECONOMIA

Economics and Quantitative Methods PhD Seminar Series

“Collective bargaining and the Italian wage structure”

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Abstract

Relying on individual-level administrative data, this paper analyses the effect of the growth of bargained minimum wages set by collective agreements on the Italian wage structure. By means of distributional regression approaches, we show that bargained minimum wage growth is more effective in raising wages at the top than at the bottom of the pay distribution. Moreover, bargained minimum wage growth is more effective in raising full-time equivalent daily wages rather than monthly earnings. We provide evidence on two mechanisms rationalizing these results. First, the growth in contractual minimum wages induces a small but significant growth in under-payment at the bottom of the distribution. That is, the proportion of workers paid less than the statutory minimum floor increases in response to its growth, suggesting that higher non-compliance may limit the effectiveness of this policy. Second, the growth in contractual minimum wages induces negative employment effects particularly at the bottom of the wage distribution and among full-time workers. Thus, selection mechanisms may contribute to attenuate the positive wage effects at the bottom of the distribution, and to decrease the effectiveness of bargained minimum wages in rising workers' earnings.

Tuesday 21 May - h 14.30

Aula FIESCHI