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UNION-NONUNION WAGE GAP: SOME UNEXPECTED FINDINGS IN BRAZILIAN LABOUR MARKET

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This paper presents new empirical evidence about the wage gap between union and nonunion workers in Brazil. In principle, due to the rules governing union organization/mobilization, no one should rationally expect such gap. But, as this paper reveals, there is ample empirical evidence of its existence in the labour market. Controlled comparisons of direct wages unveil that union workers are paid 8,4% more than nonunion. Besides, similar comparisons of indirect wages show that union workers have higher chances of access to fringe benefits, like food ticket (chances 1,7 times higher), transport service (1,3 times) and health assistance (1,8 times). Finally, this wage gap may increase in the future, depending on how the labour reform conducted through the Bill n. 6.787/2016 (under discussion in the Parliament) may be implemented. Eventually, this may be a point of interest in the future debate about the consequences of this reform for the Brazilian labour market.

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