

## Is there for migrant female workers a double wage gap? The Italian case

### Abstract

M. Giannetti\* and V. Salvucci\*\*

The gender wage gap has produced a vast literature showing how women in the same occupation as men are almost always paid a lower salary in nearly in any country of the world (D. Weichselbaumer and R. Winter-Ebmer, 2015; S.Polachek 2019; ILO, 2019). Several are the explanations given for this gap; experience, maternity penalty, lower qualifications, and so on (F.D. Blau and L.M. Kahn, 2017). Analogously, wage gaps between migrant and native workers are registered with equal frequency if not more so (OECD, 2019; Chiswick, 1978; A Barrett, et a. 2016; H. Siebers and J. van Gastel 2015, A. Islam and J. Parasnis, 2016; W.C. Smith and F. Fernandez, 2017). Most of the studies focus on either the male-female or on the migrant-native wage gap and the relative empirical literature use widely the Oaxaca-Blinder methodology to estimate that part of the wage gap that cannot be explained by differences in worker's characteristics and that can therefore be considered due to discrimination.

The vast majority of the empirical analysis, especially those concerning immigrants, have been done with respect to US and other settlement countries. Only a handful of studies have been conducted for Italy (Venturini e Villosio, 2008; C Dell'Aringa, C Lucifora, L Pagani, 2015, Venturini et al, 2018 ). Piazzalunga D. (2015) using the 2014 LFS data for Italy and applying the Blinder-Oxaca decomposition methodology finds that an immigrant woman working in Italy earns on average 42% less than a native man with 53% to 65% of this gap unexplained.

The innovative aspect of our work is that we study the double wage-gap for immigrant women in Italy for the period 2008-2019 and differently from Piazzalunga (2015), we apply both the standard Oaxaca-Blinder decomposition and the more recently developed decomposition methods based on matching (H. Nopo 2004) that makes it possible to eliminate the estimation bias due to different male and female workers' characteristics distribution.

In this study we explore the existence and extent of the wage gap between men and women and between migrant and non-migrant workers –and their combinations– in Italy, over the period 2008-2019. We use data from the Italian Labour Force Survey, which is collected on a quarterly basis and contains information on individual characteristics, including education and experience, immigration status, wages and hours worked, amongst others. Preliminary results show that a nonnegligible wage gap between men and women exists, and it is narrowing over time; whereas the gap between native and immigrant workers has increased during the recent economic crisis, for both men and women. These results call for greater attention by policy makers and researchers into labour and wage dynamics in an increasingly polarized society with sluggish economic recovery.

---

\*Marilena.Giannetti@uniroma1.it

\*\* Vincenzo.Salvucci@econ.ku.dk

Italy is considered a country of new immigration. This is certainly true if compared to countries like US, Canada, Australia or even European countries like UK, Germany or France.

Nonetheless, towards the end 20<sup>th</sup> century the country has registered growing inflows of migrants mainly from the Mediterranean North African countries and from Central and Eastern European countries but also from countries like Philippines, Peru and Ecuador. Large communities of Chinese were already present since the beginning of the last century. In 2018, more than 8,7% of Italian resident population is foreigner and of these, 52% are women. Immigrants contributed to the increase in the native women participation to the labour market. The female component of the workforce has been continuously increasing going from 37% in 1995 to 43% of the labour force in 2018. At the same moment the immigrants represent more than 10% of the Italian active population and 46% are women. The relevance of the migrant women in Italy is increasing but the economic literature has not devoted them much attention. The analysis presented in this paper aims at filling this gap trying to understand if and how much migrant women are penalized. We want to estimate the ethnic and gender gap taking into account the possibility that part of the of it is due to difference in the characteristic distributions between immigrant women, native women, migrant and native man.

### The methodology

The traditional Oaxaca-Blinder (OB) decomposition does not take into consideration these possible gender and ethnic differences in the characteristics distributions by estimating earnings equations for all native or immigrants working females and all native or immigrants working males without restricting the comparison only to those individuals with comparable characteristics. In this way it doesn't take into consideration that not being represented some segments of the distribution women and/or immigrants see they average wage lower than their peers. It is particularly important to detect this aspect because it might be hiding elements of discriminations like job segregation, inequality of opportunity in education and so on.

By applying the OB methodology we can divide the wage gap  $\Delta$ , between a part of the gap due to differences in characteristics  $\Delta C$ , and a part that cannot be explained and so is probably due to unobservable elements and/or discrimination  $\Delta D$ .

By using the matching method, we can decompose the total wage gap  $\Delta$ , as follow:

$$\Delta = \Delta M + \Delta X + \Delta F + \Delta O$$

were the first three addends represent  $\Delta C$  in OB and  $\Delta O$  is the gap due to discrimination and/or unobservable.  $\Delta M$  and  $\Delta F$  if presents, are now explicitly highlighted, while with OB estimation method they might be hidden inside  $\Delta O$ .

In the following table we can have a quick view of the difference in earnings between women and men and between immigrant and native in 2014 (To be update).

**Decile distribution of hourly gross wage by job position, gender, sex and citizenship.  
Italy, 2014 (percentage values)**

	1 dec	2 dec	3 dec	4 dec	5 dec	6 dec	7 dec	8 dec	9 dec	91-99 pct	100 pct	Total
	<i>column percentage</i>											
<b>Gender</b>												
Female	46.6	41.1	42.4	40.6	37.7	33.7	30.4	29.1	31.2	29.0	17.6	36.1
Male	53.5	58.9	57.6	59.4	62.3	66.3	69.6	70.9	68.8	71.0	82.4	63.9
<b>Country of citizenship</b>												
Mediterranean Africa	1.8	1.7	1.5	1.4	1.3	1.3	1.1	0.9	0.5	0.2	0.1	1.2
BRIC	4.3	2.8	2.0	1.3	0.9	0.7	0.5	0.4	0.3	0.2	0.2	1.3
EX-EU	9.1	7.9	7.0	6.3	5.8	5.2	4.4	3.4	2.1	1.2	1.8	5.2
Italian	80.9	83.4	85.6	87.3	88.6	89.6	91.0	93.2	95.6	97.5	96.4	89.3
North America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
EU-15	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.9	0.2
EU-28	3.7	3.9	3.6	3.4	3.2	3.1	2.8	2.0	1.2	0.5	0.4	2.7
<b>Total (100%)</b>	<b>824,414</b>	<b>824,401</b>	<b>824,408</b>	<b>824,405</b>	<b>824,409</b>	<b>824,407</b>	<b>824,408</b>	<b>824,405</b>	<b>824,411</b>	<b>741,965</b>	<b>82,442</b>	<b>8,244,073</b>

## Popolazione

Immigration and the gender wage gap, 2017 european economic review

TOTALE	M	2,536,787	F	2,718,716	T	5,255,503
	M	29,864,766	F	30,974,380	T	60,359,546