

The effects of the Brazilian recession on wage inequality between men and women

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The Brazilian economy has faced a deep recession since the second quarter of 2014, when the country's GDP decreased considerably, with negative consequences for the labour market. The aim of this paper is to analyse the effect of the recent Brazilian recession on the country's wage inequality, taking into account gender differences. To achieve this aim, the analysis compares the third quarter of 2014 with the third quarter of 2016, using data from the National Household Sample Survey. To do so, the paper suggests a methodology to classify workers in different groups taking into account occupational groups and the sectors of activities these workers are inserted. The objective of this analysis is to verify who are the wage-earning workers better inserted in the labour market and the ones who are in a more vulnerable situation, apart from considering differences by sex. The structure of the labour market is depicted considering the third quarter of 2014, just before the Brazilian recession. The results show a high asymmetry and dispersion of wage distribution in Brazil. Besides that, the results show that the economic recession of 2015 and 2016 reduced the country's income inequality due to an increase in the share of workers with lower wages. This decrease in income inequality also took place between men and women, but wage differences in favour of men are still much higher, especially in occupations of high income and higher education. The effects of the Brazilian recession on income distribution makes more difficult to describe the huge socioeconomic inequality and the production heterogeneity that prevails in this country, making necessary to analyse in more detail the consequences for the Brazilian wage inequality.