UNIVERSITÀ DEGLI STUDI DI CAGLIARI

Economics Seminars

Friday 20 November 2026 at 12:00

Aula S.A (ex Aula 1)

Facoltà di Scienze Economiche Giuridiche e Politiche - Viale Sant'Ignazio 74

Bernardo Fanfani

Università di Torino

Collective Bargaining and the Wage Structure (with L. Cappellari)

Abstract. We study how updates in pay floors set by collective bargaining agreements (CBAs) shape the wage structure in Italy. We estimate stacked event-panel difference-in-differences models around changes of contractual minima and trace distributional impacts. Pay-floor hikes of 2.2% on average raise mean log FTE daily wages by 2.2%, but effects are near zero at the 10th percentile and stronger at the 90th, implying inequality-enhancing wagerate responses. This asymmetry reflects both within-agreement heterogeneity, as lowerpaid workers within CBAs respond less, and between-agreement heterogeneity, as lowwage CBAs exhibit weaker pass-through. Non-compliance with pay floors is higher in low-wage CBAs, thus it is a potential driver of asymmetries even if its level is not affected by wage updates. Pay-floor hikes reduce employment and days worked only among lowwage workers and only among full-time jobs, which may further contribute to the muted wage response in the lower tail through selection mechanisms.