

Wage differentials by gender in the tourist industry of Brazil

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Tourism is increasingly becoming one of the main economic activities in the contemporary world, involving amounts that evidence a greater participation in the Gross Domestic Product of many countries. This industry promotes development and employment, and boosts the level of income if explored in the right way. Notwithstanding the expanding role of tourism in the economic performance of many countries and regions across the world as a driving force of economic growth, there are not much works in the literature that measure its labour market, especially as regards wage differentials in the sector. Taking into account the characteristics of income inequality of the country, it was wondered if there are significant wage differentials among female and male workers in Brazilian tourism related activities (TRA). Is there wage discrimination to the detriment of women? With this research one aimed at dealing with these core issues, and to respond to the technical and scientific scant approaches existing within the industry of tourism. Moreover, one strives to increase the knowledge about tourism planning instruments, private sector initiatives and public policies, and especially the design of policies regarding the development of this industry and employment.

This study aims at the analysis of wage gaps by gender in tourism related activities in 2012. It was intended to examine wage differentials in order to identify the variables that determine the evolution of wages in these activities. More specifically, the profile of employees in the Brazilian tourism sector is described according to their gender, and it is investigated if there are significant wage gaps among workers of the TRA from this perspective. If they occur, which are the determinants of such gaps?

The case study is based on Brazil. The data have been provided by the micro-data of the National Household Sample Survey (PNAD), available through the Brazilian Institute of Geography and Statistics (IBGE) for the year of 2012. According to IBGE (2012), tourism related activities include the hospitality industry (e.g. hotels and restaurants), transportation (airways, railway, roads, waterways, metropolitan, and supporting services), travel and associated agencies, rent-a-car and other mobile services, and activities of leisure, culture and sports. A descriptive analysis of the conditions prevailing in the TRA labour market was previously made. The breakdown of Oaxaca (1973) and Blinder (1973) was used to measure the differentials by gender of these workers.

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In the sample there are 11,559 employees with such activities in the benchmark week (data was collected in September 23-29, 2012). Within the realm of this study, only the employees that present a positive value regarding monthly wages as main source of income were considered, excluding all those about whom there was no information concerning age, education or race. Men and women between 16 and 65 years old constitute the sample, as according to Cirino and Lima (2010), these limits are due to the fact that the Brazilian law refers them as the age for initial legal work and retirement. The majority of the employees of the TRA that have been inquired are from the Southeast Region (30.06%) followed by Northeast (27.71%). It must be pointed out that the Brazilian Northeast, due to its physical and natural characteristics, has specificities that distinguish this region from the others, particularly as regards its great potential for the tourism industry (Guimarães, Rissato & Silva, 2012).

Male employees are the majority of the workforce in TRA (65%). As far as monthly wages are concerned, male employees earn on average R\$ 1,297.17 while female employees receive only R\$ 996.02, hence a gap of 23.22% to the detriment of women. Moreover, age and educational levels of women are slightly better than those of men, although not much. When one looks at the wage functions for men and women, the findings of the calculations show that coefficients have the expected signs, and are statistically significant at 1%. Through the breakdown of Oaxaca (1973) and Blinder (1973), gender discrimination is confirmed, and women are less valued than men in their jobs within the TRA, even if they have the same characteristics. However, the variable education must be highlighted, insofar it contributes for a reduction of the wage gap between men and women, the higher the educational level of a woman the greater the likelihood of receiving a wage similar to those of men.

Based on the findings of this study, it is possible to conclude that, in the Brazilian tourism industry, there is gender discrimination to detriment of women. Thus, it is important to implement specific public policies to increase the value of female workforce, most notably the improvement in the quality of its schooling insofar. According to Beni (2003), the tourism industry requires more skilful labour. Thus, it is necessary the creation of instruments leading to a minimization of the differential between men and women.

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