2 International patterns of work

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Work matters. Psychologists see it as crucial to self-esteem, well-being and both physical and mental health (Wan, 1985). Economists and industrial relations specialists define modern industrial societies according to the way they organise work; sociologists view work as one of the most important aspects of modern life. People may or may not enjoy their jobs, but in market societies they cannot do without them - either psychologically or practically.

This chapter, based on ISSP (International Social Survey Programme) data collected between 1985 and 1987, reports findings about working life and employment in eight industrialised countries. Some of the findings reveal things that were previously unknown, and so are particularly interesting; others simply confirm what has long been suspected. Their particular strength is that they are based on eight nearly identical surveys. Usually with survey data on employment, definitions are necessarily based on those prevailing in each country. For example, unemployment may have to be defined with reference to job search activities, to benefit eligibility, and so on. Thus the comparisons that can be made between countries are always bedevilled by whether like is really being compared with like. The ISSP surveys have perforce to leave many of these definitional issues to respondents themselves - for instance by asking them if they are unemployed. But while there may be cultural differences in the answers, we are still much closer than is usual to having truly equivalent data from all the countries.

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The dataset therefore offers an unusual opportunity to social scientists who are interested in work. Some of the simple, descriptive facts' we look at will also be of much wider interest. Among the questions we tackle in this chapter are:

- How can internationally comparable survey data best be used to shed light on the nature and characteristics of work?
- Can internationally consistent unemployment rates be calculated? And if so, what do they show?
- How do union membership, self-employment and employment vary across countries?
- What forces seem to shape earnings levels? And are the mechanisms the same - qualitatively or quantitatively - across nations?
- In which countries are trade unions the strongest?

In investigating this last point, we cover new and exciting ground. Using multiple regression analysis (a form of analysis which can look at several variables at once) we study the effects of trade union membership on overall wage rates in the different countries, and come to some surprising conclusions.

The value of national comparisons

There are many reasons why comparing countries on issues such as these is of interest. The most important, of course, is that work-related issues shed light on the overall efficiency of an economy and on the material well-being of a society. Unemployment, for example, worries both politicians and citizens because it represents an obvious waste of resources and is typically spread unevenly across a nation. If countries have rather different levels of unemployment - and they do - this offers the investigator the chance to isolate what it is that shapes unemployment rates. What secret do the Swiss, with their very low unemployment rates, possess and could Britain, with its much higher numbers of unemployed, learn from them?

Moreover, the structural characteristics of economies - in terms of employment and unemployment, pay and so on - are inherently worth studying. A government wishing to introduce new forms of income tax, or to subsidise a particular sector of industry, or to change the legislative framework of industrial relations, should know (or want to know) something about economic life in other countries, if only to measure its economic performance against that of its main trading competitors. International comparisons, such as those from the ISSP data, allow us to see just where different countries stand on a host of variables. And, in turn, background and behavioural data such as these can serve to illuminate attitudes towards work and leisure - topics specifically addressed by the ISSP nations in their 1989 surveys and to be reported on in a later volume.

Figures on the extent of self-employment and unionisation are especially interesting because they may relate to how well economies are performing. For example, almost all citizens of Western countries work in a job which they personally did not create - but rather in a post made for them by the actions of an entrepreneur somewhere. 'Job makers' are rare; but they are an essential, if often little considered, component of a capitalist society. Indeed, this is a point often made by the present British government in its desire to create a more entrepreneurial economy. Comparative statistics on self-employment offer an insight into the number and characteristics of the self-employed in the various countries we have examined.

We also discuss the price of labour - that is, wages and salaries - and the factors which determine it. The wage rate is, simultaneously, a measure of general economic well-being, a factor shaping how hard and how long and where individual employees work, and an important influence on the number of available jobs in society. Wage levels affect everyone. They mould the distribution of individual income and so, in the long run, the distribution of national wealth.

Finally, we look at trade unions, the main organisations by which individual employees band together. They matter for political as well as economic reasons and they often arouse strong emotions. Although it is often asserted that this or that country has unusually powerful trade unions, and this or that country has especially quiescent or impotent ones, it is not always clear what such statements mean. We examine just one definition of trade union strength - indeed, one of the few objective criteria we *can* use - the power of unions to influence wage rates.

These are the main issues that we cover. Much of the chapter is, of course, purely descriptive. To widen the scope and look for detailed explanations of the findings would mean filling in the historical background to the labour markets in each country, and looking at its social structure. Bruno and Sachs (1985), for example, have argued - in the context of the oil shock of the mid-1970s - that the behaviour of different economies depends upon the form of their labour markets.

> It would seem only natural that a theory for a country's (or several countries') response can only be formulated if one takes its specific institutional or structural features into consideration. (p.274)

Newell and Symons (1987) and Calmfors and Driffill (1988) argue similarly. In particular, the latter claim that poor economic performance stems in part from a labour market with neither very high *nor* very low levels of unionisation - that is, countries with medium levels of unionisation perform worse than countries at either of the two extremes.

An especially interesting point to an economist is that - despite each country's own particular history and own distinctive institutions - many of the features we describe seem to show overarching similarities between the market economies of all eight nations. This structural similarity is, we think, one of the most striking aspects of our analysis.

Jobs and joblessness

The countries examined in this chapter are Australia', Austria, West Germany, Britain, Hungary, Italy, Switzerland,' and the USA. The survey data for most countries were collected in each of three years, from 1985 to 1987. Amalgamating datasets in this way means that we have relatively large numbers of respondents for our analyses. For some countries, for instance Switzerland and Hungary, we have data for only one or two years and the numbers are accordingly reduced. Details about the sample in each country are provided in Appendix I.

Workforce profiles

As a background, and using data mainly from 1985 and 1986, we show below for each country eight measures of the composition of the workforce. Already we can see some striking differences.

Workforce characteristics

% of employees who are:	Austria	West Germany	Britain	Hungary	Italy	USA	Switzerland
Working part-time	2%	3%	13%	n/a	7%	6%	2%
Men	—	—	2%	n/a	4%	3%	—
Women	4%	7%	26%	n/a	14%	8%	5%
Women	39%	35%	45%	49%	32%	47%	31%
In manual occupations	41%	29%	45%	52%	52%	29%	n/a
In manufacturing industry	19%	33%	27%	29%	n/a	21%	n/a
In public service occupations	n/a	31%	34%	n/a	20%	30%	28%
Supervisors	n/a	n/a	38%	21%	16%	31%	43%

Notes. The percentage bases are employees only; **Hungarian** data are for 1986 only and Swiss data for 1987 only. n/a = not available.

For instance, we can see that in Austria only two per cent of the employed labour force as a whole work part-time, whereas in Britain part-time working is disproportionately common, with more than one in eight employees working under 20 hours a week. Looking along the third row of the table, we see that this is because so many British women work part-time. Indeed, they are nearly twice as likely as women in any other of the nations we examined to work part-time. We know too from other sources (for example, Dex and Shaw, 1986) that women part-timers in Britain work shorter hours on average than do their American and mainland European counterparts. This is partly because national insurance thresholds make part-time working economically efficient from the employer's point of view, but in any case the British profile in this respect is very distinct.

In all of the nations, women account for between one third and one half of all employees. Much wider differences are apparent in other respects. Only 13 per cent of Americans claim to supervise others, compared with 43

per cent of the Swiss. Given the comparatively similar cultural and technological characteristics of these two nations, it is hard to know how to interpret this evidence. Either working arrangements are much less hierarchical in the USA, or Americans simply perceive them as such.

In Britain as many as one third of employees work in the public sector. At the other end of the spectrum, the figure for Italy is one in five. Manual work is, however, especially important in Italy and Hungary (with just over half of employees in manual occupations), only a little less so in Britain (45 per cent) and least prevalent in West Germany and the USA (29 per cent). Employees in manufacturing industry are most common in West Germany where they make up a third of the workforce. But despite all these differences, perhaps the main feature of the table above is the broad similarity between these seven countries. This will be a recurrent theme throughout the chapter.

Next we examine workforce participation rates, sometime known as economic activity rates. In particular, what proportion of adults under 'retirement age' is active in the labour market, either with a job or looking for one? And how many of those over 'retirement age' (65 and over) continue to work?*

Workforce participation rates

	Austria	West Germany	Britain	Hungary	Italy	USA	Switzer-land
All aged under 65	66%	62%	76%	71%	60%	**76%**	79%
Men aged under 65	82%	82%	94%	81%	82%	90%	92%
Women aged under 65	51%	43%	61%	63%	38%	64%	59%
Married women, aged under 65	46%	37%	58%	63%	33%	59%	39%
Women aged 65+	1%	2%	1%	—	4%	8%	*
Men aged 65+	1%	4%	8%	2%	8%	18%	*

Notes. Again the data are from 1985 and 1986, except for Hungary (1986 only) and Switzerland (1987 only). The percentage bases are all those employed or seeking work, in the relevant age range. * = less than 0.5%.

As we see, the proportion of men aged under 65 who either have a job or want one ranges from about eight in ten (in Austria, West Germany, Hungary and Switzerland) to around nine in ten (in Britain, the USA and Switzerland). So we find high male participation rates in all seven countries. But we see rather greater differences between countries when we look at *women's* economic activity rates. Only 38 per cent of Italian women are active in the labour market; in Austria, which is in the middle of the league', the figure is 51 per cent; but the highest female participation rates are found in Switzerland, Britain, Hungary and the USA, where approaching two thirds of women have taken up or are seeking paid work.

Another striking cross-national difference is the varying proportion of the over-65s who continue to be active in the labour market. Whereas very

*The workforce is defined as the employed (employees *and* self-employed) and the unemployed. 'Adults' comprise those aged 16 and over in Austria, 17 and over in Switzerland and 18 and over in the other five countries under examination. The Italian sample did not include those aged 75 and over; the Austrian sample did not include those aged 70 and over.

few older women (except perhaps in the USA) participate in the labour market, in Britain and Italy about one in twelve older men remain economically active; and in the United States, a remarkable 18 per cent of men--nearly one in five - stay in the workforce after they have reached the age of 65.

Unemployment

We turn now to unemployment - an issue of great social, political and economic importance, especially in Europe where historically high rates of unemployment have been reached over the past ten years. Although it is known that different countries have suffered to different degrees, it has not been easy to make precise measurements. This is because each nation tends to have its own way of calculating its unemployment rates. For instance, they may be defined according to prevailing criteria of eligibility for social benefits, or according to particular job search activities in a given period of time. So the ISSP data are of some interest, for they allow us to compare unemployment rates using a common definition. In each of the countries, respondents were asked whether they considered themselves unemployed.* Of course, there may be cultural differences which predispose respondents in different countries to answer differently; we also know that respondent self-reporting of unemployment generally produces higher unemployment rates than those which result from applying official definitions. But our method, whatever its flaws, has the merit of providing *comparable* measures of joblessness for each nation. Three main points stand out, as the table below shows (again the data are mainly from the 1985 and 1986 surveys):

Unemployment rates

	Austria	West Germany	Britain	Italy	USA	Switzer-land
Men	3.9%	4.5%	12.7%	4.7%	3.9%	0.4%
Women	6.5%	6.3%	11.9%	6.9%	3.7%	2.0%
Aged under 25	6.7%	7.1%	21.7%	17.8%	5.9%	4.3%
Aged 25-44	4.4%	6.0%	9.9%	4.6%	3.2%	0.3%
Aged 45+	4.3%	3.3%	10.7%	1.4%	4.5%	0.4%
All	4.9%	5.1%	12.4%	5.4%	3.8%	0.9%

Notes. The percentage bases are all those who defined themselves as in paid work' or 'unemployed'. Swiss data are from 1987.

First, looking at male unemployment rates in the mid-1980s, the figure for Britain at nearly 13 per cent was more than twice as high as that for any other nation. At the opposite end of the spectrum is Switzerland where less

*This question was not asked in Hungary because of difficulties over the definition of unemployed.

than one per cent of men aged under 65 reported being unemployed. Britain's unemployment rate has risen dramatically over the past decade (though it is now declining); these data make explicit the fact that British male unemployment has been not only high historically, but also high by international standards. For instance, on our figures, Austria, West Germany, Italy and the USA all showed a similar rate of around four per cent.

Second, the female unemployment rate was, except in the USA and Britain, higher than the male unemployment rate. This may be of less social consequence: many of the women who said they are unemployed and would like a job have husbands in paid work, so they may not be living in households where there was no earned income coming in. Nonetheless, our data have uncovered a measure of frustrated demand for paid work among women living in several of the Western European industrialised nations. Even in Britain and the USA, women were about as likely as men to say they are unemployed.

Third, unemployment was consistently higher among the young. In the mid-1980s, in both Britain and Italy, about one in five young people aged under 25 said that they were unemployed. This is likely to have serious social and economic repercussions. Even in Switzerland, with its low overall rate of unemployment, we see that four per cent of young adults (under 25) said that they were unemployed, a ratio of over 10:1 compared with their older counterparts.

Trade union membership

The ISSP datasets also yield information about whether respondents are members of trade unions.* Such data are seldom collected on large-scale, government-sponsored surveys, since they are often seen as politically sensitive. So these results are of great interest. And, as the table below shows, the proportion of the labour force belonging to a trade union differs a great deal from country to country.

Around a third of Swiss and West German employees, and around a half of Britons and Austrians, are members. But in the USA we find that less than one in five of all employees - even male employees - belong to trade unions. The highest level of unionisation is found, unsurprisingly perhaps, in Hungary where seven out of ten employees are union members. Given the relationship between the Communist Party and the trade unions in Eastern European nations, it is likely that union membership has a very different meaning in Hungary from that in Western market economies; in the latter, unions are of course essentially voluntary associations.

It is also unsurprising that (except in Hungary) women are less likely - usually *much* less likely - to be unionised than are men, and that manual workers are more highly unionised than non-manual workers. Typically, across all the Western industrialised nations, we can see that union

*Except for Italy, where this question was not asked.

% **Trade union members**

	Austria	West Germany	Britain	Hungary	USA	Switzerland
All	52%	32%	47%	71%	17%	36%
Men	58%	39%	51%	62%	21%	42%
Women	40%	20%	41%	81%	12%	24%
Aged under 25	39%	23%	35%	71%	8%	28%
Aged 25-44	54%	32%	47%	70%	17%	36%
Aged 45+	60%	37%	53%	73%	20%	41%
Working full-time	52%	33%	49%	n/a	17%	36%
Working part-time	12%	6%	27%	n/a	10%	
In manual occupations	61%	44%	53%	61%	28%	n/a
In non-manual occupations	45%	27%	42%	82%	12%	n/a

Notes. The percentage bases are employees only: Hungarian data are for 1986 only and Swiss data for 1987 only
n/a = not available.

members are male, blue-collar workers in full-time jobs. Only in Britain, it seems, have the trade unions managed to make much of an inroad - albeit still a modest one - into the part-time labour market. But in common with Austria, with its strong corporatist institutions favouring union membership, the British trade union movement seems to have been relatively successful in recruiting women.

It is also worth noting that, in Britain, the unionisation rate in the public sector (at 75 per cent, exceptionally high) is more than double that in the private sector.

% **Trade union members**

	Austria	West Germany	Britain	Hungary	USA	Switzerland
All	52%	32%	47%	71%	17%	36%
In manufacturing industries	57%	35%	48%	79%	21%	n/a
In service occupations	50%	31%	46%	68%	15%	n/a
Public sector	n/a	47%t	75%	n/a	20%	62%
Private sector	n/a	30%t	32%	n/a	15%	26%

Notes. The percentage bases are employees only. The data are from 1985 and 1986 except for Hungary (1986 only) an Switzerland (1987 only). = 1985 data only. n/a = not available.

In addition - and contrary to commonly-held beliefs - employees in service occupations are only a little less likely to be unionised than those in manufacturing. Probably this can be explained, in part at least, by the high unionisation levels in the public sector, where nearly all the jobs are service ones.

What do people earn?

We can also use the ISSP data to examine the distribution of earnings. How far are they equally or unequally distributed among the workforces of the various nations? A simple measure of income inequality can be calculated by deriving, for each of the countries, the coefficient of variation of individuals' earnings.* This coefficient measures the *spread* of a distribution. So the higher the coefficient the greater is the variation from average earnings, and the lower the coefficient the smaller is the variation. Using the data from the 1986 surveys, we find wide cross-national differences:

	Coefficient of earnings variation
Italy	104.20
USA	79.14
Switzerland	76.90
Britain	66.60
West Germany	58.46
Hungary	56.02
Austria	55.75

Table 2.1 provides more details.

For three countries - Hungary, Austria and West Germany - we find low coefficients - that is, earnings in each are relatively evenly distributed. The case of Hungary - our only non-capitalist country - is particularly interesting, since its coefficient is almost identical to that of two of its near neighbours, West Germany and Austria, and not that dissimilar to that of the other countries. This accords with the observations of Sir Henry Phelps-Brown (1977):

> the most remarkable feature of the comparison between the Soviet-type and Western pay structures is the extent of their similarity. This will surprise those who expected the Soviet-type economies to have achieved a much greater equality. In fact ... the dispersion of individual earned incomes is lower in these economies than in some, if not all, of the Western economies. But it is no part of the Soviet philosophy of pay under socialism to give equal pay for unequal work. (p.43)

Italy appears as the outlier, with the greatest inequality in earnings of the seven nations, followed by the USA and Switzerland. Britain is in the middle of the range.

Trade union strength

People may mean many things when they speak of 'strong' trade unions. They may be referring, for instance, to the institutional links between unions and political parties, or to the muscle that such links allow them to show. But a more objective way in which union strength can be assessed is by measuring the effect that (all other things being equal - to the extent

*The coefficient of variation is defined as the standard deviation divided by the arithmetic mean X 100.

they can be controlled for) unions have on the wage levels of their members, in relation to those of non-unionised workers. After all, improved pay bargaining power is one of the important attractions that trade unions hold for the individual employee.

The analysis

Economists have a standard method for examining the effect of union membership on wage rates.' They use multiple regression analysis to identify the main factors which determine wages, and use union membership as one of the possible explanations of variations in wage levels. Other variables are also included, to control for the many other things that typically influence a person's earned income: these include age, years of schooling, sex, marital status, and the characteristics of the work done. The statistical correlations are used to look at whether union members are better paid than non-union members, once other influences are held constant.

The standard literature, surveyed in Lewis (1986), Blanchflower (1984), Freeman and Medoff (1984) and Hirsch and Addison (1986), typically estimates the so-called union/non-union wage differential at around 10 to 15 per cent. In other words, by these calculations unionisation increases wages by a little more than one tenth. So the prediction would be that a non-union worker would raise his or her pay by that amount at a union workplace. To date, almost all the statistical studies have looked at the USA, Canada and Britain. One exception is Mulvey (1986): using Australian cross-sectional data, he found that the effect of union membership is to raise pay by an average of nine per cent.

So ISSP data provide an opportunity, for the first time as far as we know, to make international comparisons of union strength across a wider range of nations. Our analysis assumes that employees' earnings depend on six main factors: age, years of education, sex, marital status, full- or part-time working, as well as membership or non-membership of a union. The results, which pool the 1985, 1986 and 1987 samples, are given in **Table 2.2.** This table shows not only the size of the effect of each factor but also the statistical significance of the relationship (a measure of its reliability). An important point to note is the extent to which our formula succeeds in explaining variations in earnings levels across the different countries - that is, its predictive strength. For example, we find that it explains about 60 per cent of the variance of employees' pay in Britain, but only about 38 per cent of the variance in the USA. So, using this formula, we can predict much more accurately the level of pay of a British respondent than we can for an American respondent.

Factors affecting earnings

Table 2.2 provides a lot of information. For instance, as would be expected, in every country wages rise with age: on average, older workers are paid

more than younger ones. But it is not a straightforward linear relationship: each extra year older a person becomes means that his or her pay increases become smaller and smaller.* All else being equal, the difference in pay between a 20-year-old and a 30-year-old will thus be more than the difference between a 30-year-old and a 40-year-old and so on.

We can also look at the effect of education on people's incomes. Here we find more marked cross-national differences. In the USA and Britain, there is noticeably more variation in wage rates according to a person's years in formal education than in the other six countries. To an economist, this means that the British and American labour markets reward a person's investment in education more highly than do those of other countries; each extra year of schooling brings relatively higher pay. Yet income differentials due to education are smallest in just those countries - Switzerland and West Germany - where proportionally more young people stay on at school past the minimum school-leaving age. So, although Britain and the USA are the countries where individuals get the highest return from their investment in education, this does not necessarily mean that these economies have the most productive education system from the point of view of the economy as a whole.

In which countries are women most strongly discriminated against in terms of pay? According to our analysis, the answer is Britain, followed by the USA and Germany. Indeed, in the USA and Britain men earn roughly half as much again as their female counterparts. Discrimination appears to be least marked in Austria. Of course, pay differentials may not be simply a measure of discrimination: they may reflect the extent to which women are segregated in different sorts of occupations from men. Nonetheless, a woman seems to be at a significant disadvantage when it comes to earning power. Moreover, this is true even if one takes into account the obvious fact that people who work part-time (predominantly women) earn less on average than those who work full-time. This earnings gap is most pronounced in the USA and Britain.

Unionisation and wages

When we turn to the effect of trade union membership on wage levels, as **Table 2.2** shows, the coefficient for union membership varies markedly across nations, from a low of 0.04 for Switzerland to a high of 0.23 for the USA. This indicates that, after controlling for all the other factors, being a union member can add on average from four per cent to nearly 25 per cent extra to an employee's earnings according to the country he or she lives in.[5] The league table' is as follows:

*This is the meaning of the negative and significant coefficients for the age-squared variable.

	Estimates of % extra earnings attributable to union membership
USA	26%
Australia	13%
Britain	8%
Hungary	8%
West Germany	7%
Austria	6%
Switzerland	4%*

Note. *This figure is not statistically significant.

The estimates for Britain, Australia and the USA are broadly comparable to those reported elsewhere (see, for example, Mulvey (1986) for Australia, Freeman and Medoff (1984) for the USA and Blanchflower and Oswald (forthcoming) for Britain). We can therefore have some confidence in the other figures which are, as far as we are aware, the first published estimates of union impact on wages in West Germany, Switzerland, Austria and Hungary. On these figures, British trade unions have much the same impact on wages as do their counterparts in mainland Western Europe. Proponents of the thesis that unions in Britain have more muscle than most cannot use these figures to substantiate their claim.

Self-employment

Most workers in industrialised countries are not self-employed. They work in jobs made for them by someone else, though they may not have thought about it in such terms. But some, more entrepreneurial, individuals create jobs for themselves. In the table below, we show the proportions of those in self-employment across seven of the ISSP nations.

	% self-employed*
Italy	29%
Switzerland	23%
USA	16%
Austria	15%
West Germany	12%
Britain	10%
Hungary	4%

Note. *Based on all those in work in each country.

A detailed breakdown of self-employment rates in each country by sex, age, sector and so on will be found in **Table** 2.3. As might be expected, Hungary, the only communist country, has the smallest proportion of self-employed. Italy is at the other extreme: approaching a third of Italians work for themselves. Britain, despite the rise in the numbers of self-employed in the past decade, is near the bottom of the European 'league.

Hours of work

Do people in different countries work noticeably different numbers of hours a week? In fact, the average working week appears to differ only slightly in all the countries studied.* Switzerland comes top of the league with an average of nearly 46 hours; Italy is at the bottom at around 38 hours. Women tend to work fewer hours than men, especially in Britain and Italy. Predictably, perhaps, the self-employed generally work much longer hours than employees (except in the USA, where both groups average just over 40 hours a week). In Western Europe, self-employed people typically put in an *extra* seven to twelve hours per week compared with their employed counterparts. **Table 2.4** gives full details.

Conclusions

The eight ISSP nations under study are in many respects quite different from one another. They range from capitalist to communist, from rich to comparatively poor, from ex-colonial Old World powers to confident New World nations. Yet their heterogeneity is not, in this chapter, their most obvious characteristic. Patterns of working life turn out to be fairly similar across the various countries. Hours of work and labour force participation rates are almost the same in the eight nations; only the USA has a markedly low, and Hungary a markedly high, level of unionisation; only Britain has an exceptional unemployment rate; all but Italy and Switzerland have fairly low levels of self-employment.

One example of cross-national similarities is revealed in **Table** 2.2, which shows that people's earnings across different countries are explained by almost identical factors. If one wishes to guess the earnings of a particular Hungarian, or of a particular American, one needs to know that individual's age, years of schooling, and gender, and whether he or she belongs to a union. Then a broadly common algebraic formula allows approximate earnings to be estimated. Why this formula - one which dates back to the work of Jacob Mincer (1958) - performs so well is still not clearly understood. Whatever the exact interpretation, however, it seems that employees in our different countries have their rates of pay shaped by universal forces.

Notes

1. We have some concerns about the Australian sample, and so we have presented only the results of the multiple regression analysis for that country, as this type of analysis is robust with regard to assumptions of randomness.
2. Data on Switzerland are available only for 1987 and so sampling errors will be larger than for other countries. Switzerland is not one of the countries participating in the ISSP, but a team at the Soziologisches Institut der Universität Zurich has replicated the 1987 module and kindly provided us with the data.

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*Unfortunately, these data are not available for Hungary where we know that a large proportion of the population has second jobs.

3. The idea of using econometric methods to estimate the effects of trade union membership stretches back at least to Lewis (1963). An authoritative informal explanation of methods and results can be found in Freeman and Medoff (1984).

4. The definitions of the variables used in the multiple regression analyses are as follows:

Dependent variables

(i)	West Germany:	natural logarithm of net monthly income *after* deduction of income tax and national insurance.
(ii)	Austria:	natural logarithm of *net* income per month.
(iii)	Australia:	natural logarithm of *gross* income over preceding 12 months.
(iv)	USA:	natural logarithm of *gross* annual earnings over preceding 12 months.
(v)	Britain:	natural logarithm of gross annual earnings *before* deduction of income tax and national insurance.
(vi)	Hungary:	natural logarithm of monthly earnings.
(vii)	Switzerland:	natural logarithm of monthly earnings.

Independent variables

(i)	Age (Age):	age of respondent.
(ii)	Education:	years of schooling.
(iii)	Male:	(1, 0) dummy variable if male.
(iv)	Union:	(1, 0) dummy variable if union member.
(v)	Married:	(1, 0) dummy variable if married or living as married.
(vi)	Part-time:	(1, 0) dummy variable if employed for up to 20 hours per week.
(vii)	1986 dummy:	(1, 0) dummy for 1986.
(viii)	1987 dummy:	(1, 0) dummy for 1987.

5. Because the earnings variable is measured in natural logarithms, these estimates are obtained by taking the (natural) anti-logarithm of the coefficient, deducting one and multiplying by 100 per cent. That is, if M is the coefficient, calculate

$$100(e^{M} - 1)$$

For further details of this procedure, see Blanchflower (1984).

6. Some economists (particularly Richard Freeman) have pointed out to us that the equations' *coefficients,* and therefore the *size* of the relationships, are not identical across nations, and of course that is true. We merely wish to claim that the same pressures seem to be at work across the countries, and that some of these can be captured by an equation. Many economists take this for granted, but other social scientists may not.

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