## Subject Index

## Age

comparison in U.S. and Italian labor force, 285 - 87Germany: trends in earnings by, 380, 382, 385; unemployment rates by, 399-400; working age population by, 395-96 United States: wage differentials related to, 380, 390-91 Apprenticeship training, Germany, 396-97 Bargaining game, centralized, 353-61 **Benefits** country differences, 74; in analysis of executive compensation, 75-78 per capita spending in OECD countries, 78--79 Centralization Swedish collective bargaining, 361-67 of wage setting system, 347-51 Chief operating officer (CEO) comparison of total compensation levels, 81 - 83ratio of total compensation and replacement value to manufacturing total compensation, 85-86, 87f total compensation at PPP exchange rates (1984-92), 99f Civil Rights Act (1964), U.S., 112 Collective bargaining country comparison, 115-18 factors in decline of, 346 model of centralized, 347-49

East Germany (GDR), post-unification, 409 France, 54-55, 346 Germany, 387-88 Italy: compensation structure, 275-83; roles of labor and employer, 268-75 Korea, 234 New Zealand, 346 Sweden, 309-13, 330-33, 346, 361-67 West Germany (FRG), 406-7 See also Bargaining game, centralized; Wage setting Comparable worth concept, 111, 112 Compensation differences in structure of CEO and HRD, 86, 88-89 levels and standardization of different measures, 80-89 private replacement value, 69, 74 tax effects on stock-based, long-term, 92-95 East Germany (GDR): components of, 407 Italy: contractual compensation package, 275-82 Compensation, total of CEOs, HRDs, and manufacturing operatives, PPP exchange rates, 99-100f intercountry variance, 85-86 tax effects on, 90-92 Compensation costs, total of firm, 70-71 of firm for CEO, 71-72 Contractual minimum, Italy, 275-77

Contractual minimum, Italy (continued) See also Superminimum, collective and individual Data sources analysis of male earnings in Britain, 177, 178 - 81analysis of post-unification East German labor market structure, 413-15 analysis of Swedish wage structure, 313 analysis of wage distribution changes in Sweden, 317 comparison of earnings in Italy and United States, 285 from diverse country sources, 9-10 for executive compensation analysis, 68-69,96-99 gender earnings gap analysis, 18-19 Italian wage differential analysis, 303-4 Korean labor market analysis, 228, 230 trends in German wage inequality, 373-76 for wage curve estimates, 150, 152-53, 169-72 wages and wage structure comparisons in four countries, 32, 36, 39-40, 42, 59-61 Decentralization proposed wage setting, 360-61 Sweden's shift toward, 361-67 wage setting with, 350-51 Earnings. See Wages Earnings inequality. See Wage inequality Education comparison of U.S. and Italian education/ earnings differentials, 287-89 comparison in U.S. and Italian labor force, 285 - 87comparison of West and East German and U.S. returns to, 416–27 factors influencing returns to, 253-58 returns with involuntary unemployment, 188 Australia: male labor force by, 215-17 Germany: labor market demand by, 390-91 Korea: growth in, 263; vocational skill emphasis, 244-45 Sweden: relation of wage differentials to, 323-27; returns to higher, 319-20, 337-41 United Kingdom: levels of and returns to differentials in, 183-85; relation to levels of union density, 201-3; role of industry

shifts related to differentials in, 193-98; skill distribution by industry, 196-98 Educational qualification, U.K., 179-81 Education levels four-country comparison of changes in labor force, 47-49 Germany: unemployment rates by, 397-99; working age Germans by, 392-96 Education system East Germany (GDR), 408, 410, 441-42 Germany, 378-79, 391-92 West Germany (FRG), 408, 410, 440-41 Efficiency wage model, multi-region, 148 Employees, production manufacturing comparison of total compensation levels, 81-83 country comparison of costs to firm, 73–74 private and public compensation package for twelve countries, 78, 80 total compensation at PPP exchange rates (1984-92), 100f Employment comparison of U.S. and Australian, 206-11 four-country comparison of sectoral shifts in. 49-54 Australia: changes in occupations, 217-20; effect of income policies, 208, 221-23; ratio of part-time to full-time, 211-15 France: sectoral shifts (1965-89), 50-54 Germany: distribution by industry, 388-96 Japan: sectoral shifts (1965-89), 50-54 Korea: factors in growth and sectoral change, 236-47 Sweden: of youth, 333-36 United Kingdom: rates, 188-90; sectoral shifts (1965-89), 50-54 United States: changes in structure, 7; compared to Australian, 206-11; distribution by industry, 388-96; ratio of part-time to full-time, 211-15; sectoral shifts (1965-89), 50-54 Equal Pay Act (1963), U.S., 112 Executive compensation country comparison of cost to firm for, 71-74 cross-country comparison statistical studies, 68 Experience, labor force male and female differences across countries, 121, 136t Sweden: returns to, 327

United Kingdom: change in returns to, 183–85 United States: wage differentials by, 25, 35, 380 See also Skills Exports, Korean, 232–33, 237

## Firms

country comparison of costs of CEOs and HRDs, 71–74 country comparison of total compensation costs of, 70–74

Gender gap. See Education; Experience; Labor force; Wage differentials; Wage inequality; Wages

Government intervention country differences for wage setting, 116–18

Korea: in labor market, 234–36 See also Collective bargaining; Unioniza-

tion; Wage setting

Harris-Todaro relation, 161 Health care, OECD country spending, 76–77 Human resource directors (HRDs) comparison of total compensation levels, 81–83 country comparison of cost to firm of,

72–74 ratio of total compensation and replacement value to manufacturing total compensation, 85–86, 87f taxes, compensation, and public benefits for

twelve countries, 78–79 total compensation at PPP exchange rates (1984–92), 100f

Income per capita, Korea, 230–31 Income policies Australia, 208, 221–23 United Kingdom, 199 Indexation system (*scala mobile*), Italy, 275– 84, 299–300, 346 Industrial policies, Korea effect of, 232–33 industrialization, 227, 229 related to labor market, 234, 236 Industrial Relations Commission, Australia, 205 Inflation, Italy

effect on wage differentials, 283 indexation for, 278-81 Institutions, labor market comparison of four countries, 27-28 contribution to rise in wage inequality, 5 effect of changes in country, 17-19 effect of changes in extra-labor market, 6 effect on skill-differential demand shifts, 54-57 international differences in wage-setting, 110 role in wage setting, 6 Germany: wage setting, 387-88 Sweden, 330-33, 309-13 United Kingdom, 198-203 United States: wage setting, 387-88 See also Collective bargaining; Labor markets; Minimum wage; Supply-demandinstitution; Wage setting Kuznets curve, 229, 263 Labor force cross-country comparison of male and female full- and part-time participation, 121-23 four-country comparison of education levels, 47-49 male and female education and experience differences across countries, 121, 136t Australia: by educational attainment, 215-17 France: education levels (1969-89), 47-49; growth rates (1965-89), 61-62t Italy: comparison of U.S. and Italian, 285-87 Japan: growth rates (1965-89), 61-62t Korea: sectoral reallocation of, 240-47 Sweden: educational levels in, 323-27; effect of supply and demand factors, 321-30; union participation, 309-13 United Kingdom: education levels (1969-89), 47-49; growth rates (1965-89), 61-62t; males by educational qualifications, 190-92 United States: by educational levels (1969-89), 47-50; growth rates (1965-89), 61–62t See also Segregation, occupational

Labor markets analysis of demand shift away from lesseducated workers, 51-54

Labor markets (continued) benchmark performance, 7 growth in demand for more educated and skilled workers, 46, 49 supply and demand factors, 4-6 Australia: 205-6; demand for different occupations, 217-20; deregulation, 208; real wages compared to U.S. 208-11 East Germany (GDR): pre-unification centralization, 407-8; transition phase, 408, 427-38 Germany: demand and supply factors, 388-96 Korea: factors in transformation, 228-29; increased demand, 263; performance, 236-47; policies, 234-36 Sweden: performance of youth in, 333-36; policy combined with wage policy, 311 United Kingdom: supply and demand for skills, 190-98 United States: rising inequality in female, 131-33; wage inequality in, 107, 131 See also Institutions, labor market Labor movement, Italy, 268-75 Labor productivity, Korea, 228, 230-32, 236 - 41Legislated minimum wage, France, 55-57 Manufacturing sector, Korea employment in, 263 growth of, 236-47 Medical care, OECD country spending, 76-77 Minimum wage France, 55-57 United Kingdom, 199 Occupations Italy: skill ranking, 272-74 United Kingdom: skill distribution by industry, 196-98 Opportunity inequality, Korea, 248-50

Pay. See Wages
Pay gap. See Wage differentials; Wage distribution
Payroll tax

employee marginal, 90–92
employer marginal, 90–91

Pay setting. See Wage setting
Phillips curves, 147
Policies, gender-specific

components, 111

country comparison, 112-15 international differences in, 110 Prices and Income Accord, Australia, 208, 221-23 Private replacement value, 69, 74 Private sector, Sweden: negotiation cartel, 310 Privatization, East Germany, 409 Production premium, Italy, 275 Public sector Sweden: growth of union membership, 310; wage differentials, 317 Rehn-Meidner program, Sweden, 311 Replacement value comparison of, 81-84 intercountry variance, 85-86 tax effects on, 90-92 Retirement income, country differences, 74 Scala mobile, Italy. See Indexation system (scala mobile), Italy School enrollment comparison of West and East German and U.S. years of, 419-26, 442-43 Sweden: of young adults, male and female, 338-40; of youth, 335-36 Segregation, occupational (cross-country comparison), 123-24 Self-employment, Italy, 300 Skill differentials, U.K., 184-86 with increased supply of skilled labor, 203 relation to levels of union density, 201-3 role of industry shifts in rise in, 193-98 Skills prices for labor market, 106-7 Italy: ranking system, 272-74 United Kingdom: changes in returns to, 183-85; distribution by industry, 196-98; supply and demand for, 190-98 Superminimum, collective and individual (Italy), 275-77, 281-83, 299-300 Supply-demand-institution, 5-6 Tax rates, marginal for corporate and personal income tax, and payroll tax, 90-92 on personal and corporate income, 90 Tax system, Sweden, 337-38

Trade policy, Korea, 232-33, 236-41

Treuhand privatization, Germany, 409

Underground economy, Italy, 300-301 Unemployment comparison of U.S. and Australian (1950-92), 207–11 Australia: rates compared with U.S. (1950-92), 207-8 East Germany (GDR): post-unification, 438; in transition, 408-9 France: effect of statutory minimum wage, 57 Germany: by educational level and age, 397-400 United Kingdom: benefits, 200--201; rates, 188-90 United States: compared to Australian, 207-11 Unionization country levels of, 18-19 effect of decline on wage inequality, 5 Australia, 205 East Germany (GDR), 409 Germany, 386 Italy, 268-75 Korea, 234-36 Sweden, 309-13, 361-67 United Kingdom: effects of union density, 201 - 3West Germany (FRG), 406, 409 Vocational qualifications, U.K., 180-82 Wage Act (1986), United Kingdom, 199 Wage compression Italy: factors in, 275-84 Sweden: factors influencing, 308; incidence of, 315-17, 319-20; of solidarity wage policy, 311-12, 341 Wage councils, United Kingdom, 199-200, 203 Wage curve defined, 145-46 empirical evidence for international, 149-60 United Kingdom: (1973-77, 1983-87, 1989-91), 150-52; regional (1983-91), 152 - 53United States: (1963-87), 155-57; public sector (1982-87), 159; regional (1963-87), 152-55; state-level (1979-87), 155, 157; union and nonunion, 157-59 Wage curve model assumptions for, 161-63

to derive downward-sloping wage curve, 160 - 67propositions, 163-66 Wage differentials comparison of changes across four countries, 27 by education in countries studied, 10-12 by occupation in countries studied, 10-12 East Germany (GDR): by levels of education, 435 Germany: across education groups, 380-81, 384; across industries, 391 Italy: across sectors, 266-68; determinants of, 298-302; factors in compression of, 275-84 Korea: factors in arbitrage of, 241-45 Sweden: supply and demand factors in changing levels of, 321-30; youth and gender, 321-23, 327-30, 333-36, 341 United States: across education groups, 25, 378; across industries, 391; changes in, 25-26; by education, occupation, and experience, 25; by education and age (1970s-1990s), 7; by experience, 25 West Germany (FRG), 407 Wage dispersion. See Wage distribution Wage distribution comparison of West and East Germany and United States, 416-27 East Germany (GDR): in transition, 427-33 Germany: trends in, 376-78 Italy: factors in, 301-2 Korea, 263 Sweden: (1968-91), 314-17; factors in change, 317-21 United Kingdom: (1974-76, 1978-80, 1986-88), 182 United States: increase in (1970s-1990s), 7 See also Wage inequality Wage drift allowing for, 347-49 in centralized Nash bargaining game, 356-61 Wage equalization policy, Sweden, 311 Wage indexation system, Italy, 117 Wage inequality causes of rise in, 4-5 changes for full-time workers (1979-90), 12 - 13comparison across four countries of relative and real, 27-31

Wage inequality (continued) comparison of four-country alternative measures (1979--90), 57, 58 comparison of U.S. and Italian, 289-97 factors in changing, 251-59 labor market contributions to rise in, 5 France: movements in (1967-89), 28-33 Germany: levels of, 372, 400 Italy: across sectors, 266-68 Japan: movements in (1967-89), 28-31 Korea: levels in, 229, 247-50, 263 Sweden: changing levels of, 307-8 United Kingdom: (1974-88), 182-83; movements in (1967-89), 28-31; residual, 182t, 186-87 United States: 25-26, 107, 131; (1970s--1990s), 7; causes of, 4, 378, 380; movements in (1967-89), 28-31, 131; supplydemand-institution explanation, 5-6 See also Opportunity inequality, Korea; Wage compression; Wage differentials; Wage structure Wage inflation, Sweden, 364 Wage policies Germany, 383, 386-88 Sweden: solidarity wage policy, 310-13, 330-33, 341 United States: gender-specific, 112 Wage premium Sweden: university, 323-27, 336, 340, 341 United States: college, 19-20 Wages comparison of U.S. and Australian real, 208-11 comparison of U.S. and Italian education/ wage differentials, 287-89 differential ratios by country and gender, 108-10 estimation of differential ratios by gender, 119-21 international differences in pay gap by gender, 123-30 supply and demand factors in relative, 46 - 54wage curve inverse relation to unemployment, 145-46 Australía: increase in women's, 220-21; relation to educational attainment, 215-17 East Germany (GDR): in transition to unification, 427-38 France: changes (1967-87), 42-44

Germany: by education, 380-81; of male and female skill groups, 374-75 Italy: collective and individual superminima, 281-83; collective superminimum and production premium, 275 Japan: changes (1967-90), 39-42 Korea, 228, 230-32 Sweden: levels among youth, 321-23, 327-30; relative wages of youth, 334-36 United Kingdom: real wages of low-skilled workers, 187; and wage structure changes (1968-91), 36-39 United States: male/female ratios, 109-10, 132-33; real wages compared to Australian, 208-11; and wage structure changes (1967-91), 32-36 Wages, low-skilled relation to levels of union density, 202-3 United Kingdom, effect of unemployment benefits, 200-201 Wage setting centralized system, 347-53 country differences, 6 differentials in centralized and decentralized systems, 111, 115-18 effect of decentralized and centralized systems, 111, 115 effect of inflexibility in, 351-53 international differences in, 110 Nash bargaining game, 356-61 Australia, 205-6 East Germany (GDR): under communism, 412; transition during unification, 408 Korea: decentralization, 234 Sweden: solidarity wage bargaining, 330-33 United Kingdom: wage councils, 199-200, 203 United States, 18, 115-16 Wage setting institutions differentials and changes among country, 17-19 related to differential growth of inequality, 5 Wage structure changes across four countries: 26-27, 32 - 46in explanation of wage inequality differences, 107 as labor market prices, 106-7 summary of changes in four countries, 44 - 46

East Germany (GDR): post-unification expectations, 412; in transition, 427–38 Italy: compressed, 298 Sweden: changes (1960s–80s), 313–17 United Kingdom: changes in (1974–88), 177–78 United States: changes in, 7, 25–26 West Germany (FRG): post-unification, 412 Worker characteristics, 119–21 Worker mobility, Korea, 228–29, 236, 241–47, 263