

## CONTENTS

Foreword	v
Acknowledgements	xiii
List of abbreviations	xv
<b>1. Introduction</b> ( <i>Peter Auer</i> )	1
1.1 Institutions do matter	1
1.2 Institutions and labour market forces	3
1.3 Macroeconomic policy	4
1.4 Working time: From redistribution to modernization	6
1.5 Equality of opportunity	7
1.6 Industrial relations and social dialogue	8
1.7 Conclusions	9
<b>2. Small-economy macroeconomics</b> ( <i>Ronald Schettkat</i> )	12
2.1 Introduction	12
2.2 Monetary and fiscal policies: Aiming for stability	23
2.3 Economic growth	29
2.4 Unemployment	34
<b>3. Working time: From redistribution to modernization</b> ( <i>Gerhard Bosch</i> )	55
3.1 Introduction	55
3.2 Working time in Austria, Denmark, Ireland and the Netherlands	57
3.3 Causes of variations in national working-time profiles	72
3.4 Work-sharing, employment and work organization	90
3.5 Conclusions	108
<b>4. Equal opportunities and employment policy</b> ( <i>Jill Rubery</i> )	116
4.1 Introduction	116
4.2 An equality perspective on employment performance in OECD countries	117
4.3 Employment performance from a gender-equality perspective	126
4.4 Equal opportunities by age and education	161
4.5 Social inequality and social exclusion	170

## Contents

4.6	Equality, employment performance and employment regimes: An assessment	173
4.7	Conclusions	178
<b>5.</b>	<b>Industrial relations and social dialogue</b> ( <i>Jelle Visser</i> )	184
5.1	Introduction	184
5.2	The European mosaic of persistent diversity	185
5.3	Collective representation: Trade unions and employers' associations	190
5.4	Patterns of collective bargaining and coordination	207
5.5	Bipartite and tripartite national institutions and corporatism	226
5.6	The role of social dialogue and social learning: An evaluation	229
<b>Index</b>		<b>243</b>

## List of tables

---

2.1	Some structural and policy characteristics of Austria, Denmark, Ireland and the Netherlands	14
2.2	Short-term interest rates and long-term yields	25
2.3	Fiscal policy	26
2.4	Annual rates of inflation, consumer prices	29
2.5	Components of economic growth: Average annual growth rates and GDP shares, 1990 prices	32
2.6	Long-term unemployment (12 months and over) as a share of overall unemployment	35
2.7	Coefficients of correlation between changes in employment and changes in unemployment rates	36
2.8	Investigating Okun's law	37
2.9	Comparison of different employment measures	40
2.10	Employment elasticities and intensities of economic growth	43
2.11	Employment-to-population ratios by sector (civilian employment/population, aged 15–65)	45
2.12	Nominal and real hourly wage growth	47
2.13	Indices for real hourly earnings, real household disposable income, real household disposable income per capita (aged 15–65) and productivity	49
3.1	Normal working hours per week, per employee, 1996	58
3.2	Annual hours per employee and per person of working age (15–65), 1994	59
3.3	Employment rates for men and women, 1996	59
3.4	Time devoted to paid and unpaid economic activities in six countries (average time per person per day in hours and minutes)	66
3.5	Contribution of part-timers to recent changes in average annual hours of employees (average change in hours from year to year)	67
3.6	Workers' preferences on working hours and earnings, European Union, 1985 and 1994 (percentage of employees)	69
3.7	Participation rates of older and younger workers	69
3.8	Working-time profiles of Austria, Denmark, Ireland and the Netherlands	71

3.9	GDP per hour, per employed person and per capita in ECU (in percentages: United States = 100)	73
3.10	Levels and changes in earnings inequality among advanced OECD countries (measured by the ratio of 90th to 10th decile, male earnings, 1979–95)	74
3.11	Average wages of women in industry as a percentage of those of men	75
3.12	Average tax rate (including social security contributions) applying to average income for different household situations as a percentage of gross household income (applied: average male earnings for men and women)	78
3.13	Labour force participation rate by level of educational attainment, 1992 (aged 24–64)	80
3.14	Human capital in international perspective	80
3.15	Statutory limits on normal weekly hours of work and overtime work	84
3.16	Provisions for averaged/annualized hours of work	85
3.17	Legal position of part-time employment	86
3.18	Denmark: Paid-leave arrangements under the 1994 labour market reform	89
3.19	The evolution of working time, productivity per hour worked and GNP per capita, 1870-1992 (percentages)	91
3.20	Annual rates of change in machine utilization times and operating hours in the United States, 1929–63 (percentages)	93
3.21	Selected company surveys on the employment effects of collective working-time reductions	96
3.22	Employment effects of collective reductions of working hours in the Netherlands, 1983–87 (thousands)	97
3.23	Vocational training in Great Britain, France and Germany (distribution of vocational qualifications in the economically active population, percentages)	100
3.24	Trends in paid overtime work	100
3.25	Percentage of firms that have changed their use of flexible forms of working time in the past three years	103
4.1	Employment rates by sex, age and education (in %), and gender gaps (M–F)	126
4.2	Employment rates adjusted for shares of part-time work by sex, age and education (in %), and gender gaps (M–F)	128
4.3	Persons who are unemployed, hidden unemployed or inactive, not wanting work (as a percentage of the working-age population)	129
4.4	Rate of growth in employment by sex	130
4.5	Projected changes in female employment, 1990–2005: High-growth scenario	131
4.6	Impact of population and cohort effects on female working-age employment rate, 1995–2010	132
4.7	Educational levels of the non-employed (prime age and older)	133
4.8	The role of public sector employment by sex and working time, and recent growth of the public and private sectors	134
4.9	Indices of segregation for all employment, 1994	135

## Contents

4.10	Occupational gender segregation and concentration, full and part time	137
4.11	Indices of segregation for full-time, part-time and all-in employment, 1994	138
4.12	Earnings by education and sex (index: upper secondary = 100)	139
4.13	Level and concentration of low earnings	140
4.14	Average job tenure by sex, age and education	141
4.15	Share of temporary-contract workers aged under 30 (percentages)	142
4.16	Parental leave provisions in EU Member States, 1994–95	146
4.17	Services for young children, school age and length of school day	147
4.18	Activity patterns of mothers in EU Member States	148
4.19	Trends in childbearing	149
4.20	Labour market activity patterns of households	151
4.21	Activity patterns of lone-parent families, 1994	152
4.22	Unemployment benefit systems in EU Member States	155
4.23	Characteristics of the youth labour market	164
4.24	Earnings by age and education	166
4.25	Risk of living in households with no other person in employment	167
4.26	Relative hiring intensity by age group	168
4.27	Household net income distribution and poverty rates (base year: 1994)	171
4.28	Risk of low income for members of different types of households	173
5.1	Models of industrial relations in Western Europe	186
5.2	Unionization, employer organization and bargaining coverage in the market sector, selected countries, mid-1990s	191
5.3	Major trade union confederations, 1995	193
5.4	Major employers' confederations, 1995	194
5.5	The main actors in the Austrian social partnership	195
5.6	The main trade unions in Austria	195
5.7	Danish trade unions, 1995	200
5.8	The main trade unions in Ireland, location of headquarters and membership	203
5.9	The main trade unions in the Netherlands	206
5.10	Patterns of bargaining and state involvement	214
5.11	Wage increases under centralized bargaining in Ireland, 1987–2000	220

## List of figures

---

2.1	The labour market performance of Austria, Denmark, Ireland and the Netherlands (relative to France/Germany)	16
2.2	The inflation and income performance of Austria, Denmark, Ireland and the Netherlands (relative to France/Germany)	17
2.3	Wage setting in the imperfect competition model	22
2.4	Nominal and real exchange rates against the Deutschmark	28

2.5	Changes in government spending and total domestic demand, private consumption and investment (deviation of growth rates in the variables from the growth rate of potential output)	31
2.6	Unemployment rates in 1970, 1980, 1990 and 1998 (percentages)	34
2.7	GDP growth rates, employment growth rates, and growth rates of working volume (difference of natural logs)	41
3.1	Distribution of usual weekly working hours, Austria, employees, 1996	60
3.2	Distribution of usual weekly working hours, Denmark, employees, 1987 and 1996	61
3.3	Distribution of usual weekly working hours, Ireland, employees, 1987 and 1995	62
3.4	Distribution of usual weekly working hours, Netherlands, employees, 1987 and 1996	63
3.5	Percentage of involuntary part-time workers	68
3.6	Social contributions in relation to wages in the Netherlands, 1994	76
3.7	Social contributions in relation to wages in Ireland, 1994	77
3.8	Educational level of men aged 25–54 in EU Member States, 1995	81
3.9	Educational level of women aged 25–54 in EU Member States, 1995	82
3.10	Interference with production through skill shortages in manufacturing	99
3.11	Working times of high-skilled employees in Western Germany	102
5.1	Union density rates, 1970–96	192
5.2	Main bargaining areas in Denmark	198
5.3	Centralization of wage bargaining and dispersion of earnings in 15 OECD countries, 1973–86	209

List of boxes

---

2.1	Effects of expansionary policies in different macroeconomic contexts	19
3.1	“Considerations and recommendations to promote part-time work and differentiation in patterns of working time” of the Stichting van de Arbeid, the Netherlands.	88
3.2	Denmark: The introduction of paid-leave arrangements	89