

Labor Unions and the politics of postwar wage compression: A comparison of the Netherlands and the United Kingdom

Dennie Oude Nijhuis

Institute for History, Leiden University, and International Institute of Social History, Amsterdam, the Netherlands

The question of how labor unions affect the distribution of labor market earnings continues to attract much scholarly attention. The literature on organized labor's effect on wage inequality is large and spans several decades. Yet it continues to struggle to explain how labor unions deal with the different and often conflicting demands of their members regarding the wage distribution. In much of the literature on wage inequality unions are viewed as simple utility maximizers whose policies are a direct extension of the interests of a majority of their members. This has resulted in a strong tendency to assume labor union support for wage compression and other policies that affect the distribution of income among different groups of wage earners (e.g. Stephens and Wallerstein 1991; Metcalf, Hansen and Charlwood, 1999; Forth and Millward, 2001; Baccaro, 2011; Bryson 2014). Illustrative of this tendency is the frequent use of median voter models to explain both labor union support for redistribution and the importance given to union density and wage bargaining centralization as explanatory variables for cross-national and inter-temporal variation in wage inequality (e.g. Blau and Kahn, 1996; Wallerstein, 1999; Pontusson, Rueda and Way, 2002; Scheve and Stasavage, 2009; Iversen and Soskice, 2009; Visser and Checchi 2011).

This article critically examines the conventional view of the importance of union density and wage bargaining centralization. It emphasizes that union support for within-class redistribution cannot be taken for granted, and depends on the internal organizational structure of labor unions. It argues that the *way* in which workers organize into labor unions is consequently as important for the distribution of labor market earnings as the *degree* to which they do so. In addition, the article criticizes the popular view that centralized bargaining reduces wage inequality because it strengthens the relative bargaining power of unions representing low paid workers (Iversen, 1999; Wallerstein, 1999; Pontusson and Rueda, 2000; Iversen and Soskice, 2009). Through a comparative-historical analysis of postwar wage bargaining in the Netherlands and the United Kingdom it shows that, to the contrary, long-term centralization of wage bargaining is only possible when unions representing higher paid wage earners are willing to redistribute in favor of lower paid workers.

An important goal of the article is to identify *for what reasons* unions support or oppose redistribution of income among different groups of wage earners. The issue of labor union support for wage compression in particular raises important questions that have received insufficient attention from scholars. One of these is that redistributive

union policies often benefit a minority of low paid workers at the expense of a much larger group of middle and higher paid wage earners. As the latter also tend to make up for the majority of union members, such instances cannot be explained by arguing that union policies reflect the majoritarian interests of their members. Rather than viewing redistributive policies as the outcome of mobilization by, and thus a matter of self-interest for, those who benefit from this redistribution, it argues that union policies are also shaped by norms and values that emphasize fairness and broad worker solidarity (Hyman and Brough, 1975; Elster, 1989; Swenson 1989). How these norms work out though, this article sows, crucially depends on the organizational blueprint of labor unions.

Equally important are questions relating to the willingness of higher paid workers to accept wage bargaining outcomes and policies that reduce wage differentials. How do union leaders who for instance seek to reduce occupational and skill differentials persuade their higher paid members to support this? Why do these members not simply break off and form separate organizations? The article engages with these questions in two ways. First, it follows neo-corporatist studies on wage restraint from the 1980s by arguing that unions who are able to compress wages in the long-term generally have a representational monopoly which rules out that discord can find effective organizational channels (e.g. Keller, 1981; Regini, 1983). Second, it emphasizes that redistributive wage policies are often not visible to the average union member, who consequently lacks sufficient information to rally against their adverse consequences to them. It furthermore shows that matters are quite different when they rally in their own craft and occupationally organized white-collar unions. In those instances they will be quite aware of any policy that reduces the wage differential, and rally against it.

Finally, the analysis advances another way of looking at the relationship between wage compression and wage restraint. Working on the assumption that unions support wage compression, there has been a strong emphasis in the political economy literature on the usefulness of egalitarian wage outcomes in persuading unions to moderate their wage demands (e.g. Flanagan, Soskice and Ulman, 1983; Swenson, 1989; Iversen, 1999; Pontusson, 2011). While agreeing that this can be the case, the paper shows that wage compression may also work to undermine labor union support for wage restraint policies. It does so by describing two major instances in which the resistance to wage compression by British unions representing high-paid workers resulted in the demise of incomes policies aimed at achieving wage restraint – and the centralized wage bargaining procedures that accompanied these policies.

I present my argument through a comparative-historical analysis of postwar wage bargaining in the Netherlands and the United Kingdom. I do so for two reasons. First, the British and Dutch labor union movements arguably differed more from each other in terms of their internal organizational features than any other two union movements in the postwar period. Second, a comparison of these two countries allows me to capture

both cross-national differences and changes in union attitudes towards wage compression over time. Both are of crucial importance to illustrate my claims. In the first part of the analysis, I contrast the strong opposition of British occupationally organized unions to any attempt to improve the relative wages of Britain's lowest paid workers with the unequivocal support of Dutch unions for wage compression in favor of the lowest paid during the first decades of the postwar period. I illustrate the consequences of this for the long-term survival of wage restraint policies and wage bargaining centralization in both countries. I then show how changes in the internal structure of the Dutch labor union movement over time enabled it to successfully press for wage compression in the upper half of the wage distribution as well. I show how higher paid workers were unable to put up effective resistance to this because the sectoral basis of labor relations in the Netherlands worked against them.

Union Structure and the Distribution of Labor Market Earnings

The question of how unions solve the vast potential for conflict between different categories of workers over the distribution of labor market earnings is of huge importance to our understanding of the determinants of wage inequality. It is also a question that has not yet received a satisfactory answer in the literature. Comparative-historical analyses that describe how unions solve internal conflicts between higher and lower paid workers are scarce and pay little attention to how their organizational blueprints matter to this. Many recent accounts of organized labor's effect on the distribution of wages neglect the issue altogether and, following a long-established tradition in the field of labor economics (e.g. Freeman, 1980; Booth, 1995; Checchi, Visser and Van der Werfhorst, 2010) explain union policies through theoretical models that view collective behavior as an aggregated form of individual means-tested rationality. In this view, labor unions are utility maximizing agents whose policies are a direct extension of the interests of a majority of their members. The previously mentioned frequent use of median voter models to explain labor union support for intra-class redistribution and emphasis on union density as an explanatory variable for wage inequality (Wallerstein, 1999; Pontusson and Rueda, 2000; Oskarsson, 2005; Pontusson, 2006; Kaufman, 2007) testify of this. The logic of the median voter model is also commonly invoked to explain why centralized wage bargaining, by strengthening the bargaining power of lower paid workers, is supposed to lead to a more equal wage distribution (Iversen, 1999; Wallerstein, 1999; Pontusson, 2002; Oliver, 2008).

Median voter models have long been a popular instrument in the social science literature. Yet their frequent use to explain labor union support for wage compression is a more recent phenomenon. Applied in this way, labor unions are believed to support wage compression because in situations in which the mean wage is higher than the median wage, which is typically the case, a majority of union members are supposed to benefit from this. As 'utility maximizers' unions should therefore, for instance, prefer

flat-rate wage increases over percentage increases (Booth, 1995). This explanation of labor union behavior has both empirical and theoretical problems. One obvious problem is that the median union member is by no means necessary a below-average earner.¹ And even if the median union member were to stand to gain from wage compression, there is still the problem that unions clearly also organize many above-average earners. The view of unions as utility maximizers evidently fails to make clear why higher paid union members should accept wage compression policies – especially when they organize separately, and thus cannot be forced to support wage compression by a majority of lower-paid workers.

Nor can the idea of unions as utility maximizers explain why during much of the postwar period, as we will see, wage compression policies were primarily focused on improving matters for a small group of low-paid workers that represented a minority of the (unionized and non-unionized) labor force. Labor unions, then, are not mere utility maximizers. Different types of unions have on different occasions supported the introduction of minimum wages that benefited a fraction of union members at the expense of all other workers, wage policies that combined percentage increases with relatively higher wage increases for the lowest percentile of wage earners, and social security policies with wage limits that restricted the scope for redistribution to the lower half of the wage distribution (Deleeck 1972; Swenson 1989; Oude Nijhuis, 2013). Such activities show that union policies are not merely shaped by the interests of a majority of union members. Unions can evidently also be guided by normative orientations that emphasize fairness and broad worker solidarity. Yet the influence of such norms on unions cannot be taken for granted. Instead, it matters greatly whether unions seek to organize workers of various occupations or limit their membership to certain (often privileged) occupations.

The way in which norms like fairness and solidarity interact with union structure can be found in the organizational logic of these two types of union organization. Unions that seek to organize workers regardless of skill and occupation may do so because they emphasize the importance of labor unity against capital. Alternatively they may do so because either a socialist or confessional ideology that emphasizes broad worker solidarity guides them.² Whatever the reasons though, such unions will inevitably have to deal with conflicting demands from higher and lower paid members regarding the intra-labor division of wages. One successful way of reconciling these different demands is by emphasizing their organizational logic, which is based on class unity and solidarity among its membership. By contrast, the leaders of unions that limit their membership to certain occupations do not have to deal with conflicting interests; nor does their organizational logic emphasize class unity and broad worker solidarity. On the contrary, and as pointed out by various labor historians, the organizational logic of such unions is grounded in the occupational defense of the skilled wage differential

(e.g. Bain, 1970; Gross, 1982). As a result, they can be expected to oppose any measure that reduces the wage gap between their members and lower paid workers.

An excellent way to demonstrate how their organizational blueprints shape union views of occupational wage relativities is by comparing the postwar wage bargaining behavior of the Dutch and British union movements. During much of this period, they provided near-complete examples of union movements that respectively seek to organize workers of all skills and those in which higher paid, more skilled workers organize separately from less privileged workers. In the United Kingdom, nearly all skilled manual workers as well as large groups of white-collar workers organized on an occupational basis during the first decades of the postwar period (Ebbinghaus and Waddington, 2000). In the Netherlands, by contrast, occupational divisions have been of little importance during most of the postwar period. By as early as the 1920s, all manual workers there had united under the banner of industrial unionism (Visser, 2000). Moreover, from the 1930s on, the major union federations also worked actively, and often forcefully, to disband existing white-collar associations. This process was completed by the late 1960s. By then, all members of the three main union federations in the Netherlands, which together represented some 85 percent of all organized workers, were organized on an industrial basis (Huetting 1982). Together, the three federations completely dominated the national wage bargaining machinery – thus reinforcing the dominance of industrial or ‘open’ unionism in the Netherlands.

The following analysis of how these very different organizational blueprints shaped British and Dutch union views of wage relativities opens with an account of their wage bargaining behavior in the immediate postwar period. The analysis shows how the industrial nature of union organization in the Netherlands enabled unions there to push for steady improvements in the relative wages for the low paid. It contrasts this with the situation in the United Kingdom, where occupationally organized unions successfully resisted any attempt to reduce wage differentials – thus making it impossible to improve matters for the lowest paid. Illustrating that union support for wage compression does not have to reflect majoritarian interests, the analysis shows that the redistributive agenda of Dutch unions was in this period exclusively aimed at improving matters for the lowest paid. The vast majority of both organized and unorganized workers in the Netherlands paid the price for this solidaristic wage stance. In the United Kingdom, the motivations for the resistance of occupationally organized unions to wage compression were various, but always reflected an absence of solidarity with lower skilled workers.

With an emphasis on the occupational defense of wage differentials in the United Kingdom, the following analysis criticizes the view that centralized wage bargaining reduces wage inequality because it strengthens the relative bargaining power of unions representing low paid workers. It shows that, to the contrary, long-term centralization of wage bargaining is only possible when unions that represent large groups of higher

paid workers support wage compression. It does so by pointing out that while unions representing low paid workers may indeed demand “their fair share of the agreement” (Iversen and Soskice, 2009, p. 448), under coordinated bargaining, unions representing high paid workers are sure to do the same. Under such circumstances, coordinated wage bargaining can only empower unions representing low paid workers if bargaining at the central level were to resemble negotiations within a single union – a state of affairs which can only come about when unions agree to surrender a large part of their power to a central union federation. Such a state of affairs is highly unlikely to come about under conditions of occupational unionism under which the economically most powerful unions jealously defend their autonomy in order to preserve the privileged position of their skilled, high paid members.³ Such unions may agree to centralized bargaining when economic conditions demand this. Yet and as we will see, they will no longer support centralized wage bargaining when this results in a reduction in the occupational wage differential.

The analysis similarly criticizes the wage restraint literature for its failure to appreciate the importance of the preoccupation of occupationally organized labor unions with wage differentials for the failure of postwar British attempts to set up durable incomes policies. Because of the strong tendency to assume labor union support for wage compression and based on a superficial reading of British sources, it has for instance been common for scholars to argue that temporary British union support for wage restraint was at least partly grounded in “the prospect which it offered at bargaining for a fairer distribution of incomes” (Flanders, 1980. See also Hyman and Brough, 1975). Others have argued that British labor unions at least took “advantage” of the situation “to raise wages for low-pay workers faster than for the rest” (Swenson, 1989, p. 28. See also Flanagan et al, 1983, p. 673-75; Mares, 2006, p. 177). The view that attempts to improve the relative wages of the lowest paid facilitated broad union support for wage restraint in the United Kingdom is incorrect. The following analysis shows that, to the contrary, these attempts strongly worked to undermine it.

Britain: Occupational Unionism and the Importance of Wage Relativities

Part of the reason why scholars have been able to link temporary British labor union support for wage restraint policies to wage compression is that such policies did often produce a (temporary) reduction in wage differentials in the United Kingdom. During the early 1940s for example, when the war effort forced unions to support a policy of voluntary wage restraint, there does indeed seem to have been a relative increase in the wages of the country’s lowest paid workers. To protect these workers from the consequences of wage restraint in a time of rapid inflation, several industries occasionally adopted flat-rate wage increases.⁴ Some industries at times also opted for percentage wage increases with numbers that varied depending on the wage level (MRC, MSS.292/110/1: War additions or bonuses, 1-12-1940). It is hard to see whether

or to what degree these policies were standard practice during the War. What is clear, however, is that they did affect the wage distribution, especially in the manual category (Turner and Jackson, 1969).

Yet it would be plainly mistaken to argue that this compression received unequivocal labor union support in the United Kingdom. And it would be even more mistaken to argue that it facilitated labor union support for wage restraint. On the contrary, in the long-term it strongly worked to *undermine* labor union support for such restraint. There is much primary evidence that suggests that Britain's occupational unions – especially the craft unions that represented skilled manual workers – strongly resented the decline in wage differentials that they had to accept during the War. They made this perfectly clear in the immediate postwar period when they announced that they would seek to restore lost differentials in coming years.⁵ They also made this clear when the incumbent Labour government in 1947 approached them with a request to support a new incomes policy. Acknowledging the “serious economic position” in which the United Kingdom found itself, they agreed to a new voluntary incomes policy based on coordinated wage bargaining. Yet they made it clear that they would only do so if the government were to “recognize the need to safeguard those wage differentials which are an essential element in the wages structure of many important industries, and are required to sustain those standards of craftsmanship, training and experience that contribute directly to industrial efficiency and higher productivity” (TUC, 1948, p. 290).

Both the Labour government and the TUC's main executive body, the General Council, took this warning to heart. In private dealings between the two, General Council members repeatedly emphasized that it was simply not possible to do something extra for the low paid as this would conflict with maintaining existing differentials (MRC, MSS.292/110.44/1b: Meeting Ministers and Special Committee of the TUC, 11-2-1948, p. 9). Labour representatives were evenly frank on the issue. In an attempt to obtain TUC support for wage restraint in late 1948, Foreign Secretary and ex-union leader Ernest Bevin even went so far as to suggest that “the Government might be assisting the General Council by making no reference to the low-paid since this would raise the question of differentials” (MRC, MSS.292/110.44/2b: Special Committee on the economic situation, 14-11-1949, p. 6). This does not mean that Bevin was wholly unconcerned with the plight of the many British workers “whose wages are at present below a reasonable subsistence level” (MRC, MSS.292/110.44/1b: Meeting Ministers and a Special Committee of the TUC, 11-2-1948, p. 9). It simply means that he realized that his government had no chance of obtaining renewed labor union support for wage restraint if it continued to insist on doing something “extra” for Britain's lowest paid workers.

The absence of specific measures for the lowest paid facilitated the coming about of a new voluntary incomes policy in 1948. Yet it could not guarantee its survival for

long. An important reason for this was that many occupational unions were not satisfied with freezing the existing wage gap, but were actively seeking to *undo* previous reductions in wage differentials. This eventually set off a series of competing wage claims that focused primarily on restoring wage relativities. TUC representatives were well aware of this, and noted in 1950 that those unions that were “continuing with their claims for wage increases...negotiated on behalf of persons entitled to differentials” (MRC, MSS.292/110.33/2a: Minutes Special Committee on the economic situation, 26-4-1950). They also noted that this “drift” had come about because of the “discontent felt by skilled and semi-skilled workers at the steady narrowing in differentials which has taken place in recent years” (MRC, MSS.292/110.44/2a: Wages policy – statement to affiliated unions, 20-6-1950, 2. See also MRC, MSS202/110.44/2b: Wages policy, 1-6-1950). While acknowledging that other factors also played a role in the breakdown of the incomes policy, TUC representatives clearly viewed this drift as most important. As noted by a TUC committee on the matter, the competitive wage increases that led to the incomes policy’s implosion were the inevitable consequence of previous reductions in wage differentials, and this meant that “the consequential adjustments to maintain such differentials must be faced” (MRC, MSS.292/110.44/2a: Minutes Special Committee on the economic situation, 9-6-1950).

Under these circumstances, it obviously proved impossible to maintain a system of centralized wage bargaining in the United Kingdom. Following on the breakdown of the voluntary incomes policy in 1950, Britain’s occupationally organized unions aggressively set out to restore lost differentials. They were quite successful in this as the manual wage differential continued to widen in the United Kingdom during the 1950s and 1960s, and eventually reached pre-war levels during the latter decade (see table 1).

The Netherlands: Industrial Unionism and Broad Worker Solidarity

The events that took place in the United Kingdom in the immediate postwar period stood in stark contrast to those in the Netherlands where it did prove possible to improve the situation for the lowest paid by reducing wage differentials on a permanent basis. Like in the United Kingdom, the first major reduction in wage differentials in the Netherlands occurred during the War.⁶ In contrast to in the United Kingdom, this did not provoke a backlash for a restoration of wage differentials in the immediate postwar period though. Instead, the socialist Dutch Union of Labor Associations (Nederlands Verbond van Vakverenigingen, henceforth NVV), the largest of the big three, in 1945 announced that its support for wage restraint depended on the introduction of a “social minimum” that had to be increased “not just in absolute but also in relative terms.” It did so by arguing that under the current circumstances of austerity it was “reasonable that this sacrifice will be made by the better situated to prevent hardship for the most deprived” (IISG, Archief NVV, doos 21, Notulen Hoofdbesturenvergadering, 19-7-

1945, p. 22). Both this demand and its motivation were fully supported by the other main union federations in the Netherlands, the Catholic Workers' Movement (Katholieke Arbeidersbeweging, henceforth KAB) and the protestant Christian National Labor Union (Christelijk Nationaal Vakverbond, henceforth CNV). Their employer counterparts, who in exchange obtained a system of centralized wage bargaining that proved to be remarkably successful in producing long-term wage restraint, also accepted them.⁷

A key feature of this consensus was that it was limited to the need to improve matters for the nation's lowest paid workers. It did not extend to measures that would have resulted in a more equal division of wages across the whole wage spectrum, such as flat-rate wage increases. Nor did it extend to measures that were specifically designed to curtail the relative wages of top earners, such as percentage increases combined with maximum ceilings on pay rises. With a brief exception from 1954 to 1956, all wage agreements in the first fifteen years of the postwar period contained specific measures to improve the relative wages of workers in the lowest decile of the wage distribution. Flat-rate increases and percentage increases combine with maximum ceilings on pay rises were much less common in this period. One of the reasons for this is that they could often count on strong opposition, coming from employer organizations *and* the three main union federations. In fact, the latter frequently emphasized that their solidaristic stance was limited to improving matters for the lowest paid, and that they did not have a broader redistributive agenda (IISG, Archief NVV, doos 21, Verslagen looncongres, 31-10-1945, p. 7 and p. 19; IISG, Archief NVV, doos 21, Notulen Hoofdbesturenvergadering, 19-7-1945, p. 19; *Ibidem*, 27-8-1946, p. 106 and 9-1-1946, p. 42).

In line with these remarks, the three union federations frequently resisted government attempts to introduce maximum ceilings on the growth of wages and not once agreed to push for flat-rate wage increases.⁸ The only occasion on which some union federations pushed for flat-rate wage increases came in the late 1940s. While defended by the Christian-democratic KAB and CNV because the government had announced that it would only allow price compensation "which affected all workers in the same degree", the socialist NVV strongly resisted this (IISG, Archief NVV, doos 312: Notulen vergadering Raad van Vakcentralen, 17-11-1949, p. 4). The NVV motivated this by referring to productivity considerations. Yet its stance undoubtedly also had much to do with the strong opposition of one of its most powerful members, the occupational white-collar union Mercurius, to flat-rate increases. The crisis eventually led to a strong "crisis of trust" within the NVV, as several of its manual-oriented industrial union members had initially insisted on more overtly redistributive wage demands (IISG, Archief NVV, doos 11, Notulen 4e vergadering Verbondsbestuur, 14-11-1949, p. 41; IISG, Archief NVV, doos 11, Notulen 30e vergadering Verbondsbestuur, 30-10-1950, p. 323).

The opposition of the three federations to these measures strongly conflicts with the conventional view of labor unions as utility maximizers. It is, by contrast, in full agreement with the view that labor union support for wage compression depends on its organizational blueprint. As craft unions were completely absent in the Netherlands, there was no resistance to measures to improve matters for the lowest paid. To be sure, the union federations did sometimes report that there were “tensions” within industries that forced the industrial unions to limit their demands for improvements in the relative wages of the lowest paid. But these rarely forced unions to refrain from doing something for the lowest paid altogether. And while there must have been workers who resented the strong decline in differentials that occurred mainly in the lower half of the wage distribution, and voiced their opposition to it, this never led to major internal conflicts within the labor union movement. There certainly never was an organized movement seeking to restore skilled manual differentials that were eroded by the practice of combining percentage with minimum wage increases – a movement that, as we have seen, did come about in the United Kingdom.

At the same time, all of the three main union federations continued to represent various white-collar affiliates that exclusively catered for specific (read: privileged) white-collar occupations in the immediate postwar period. Their presence had a strong impact on the union federations’ policies towards pay relativities. It did so because it made it impossible for them to ignore the interests of the high paid members of their white-collar affiliates. While not by definition opposed to efforts to improve the relative wages of the lowest paid – perhaps also because this mostly affected relativities in the lower half or ‘manual’ part of the wage distribution –, these white-collar unions strongly opposed any wage settlement that included flat-rate wage increases or maximum ceilings on pay rises. They did so for good reason, as such outcomes were in clear conflict with the interests of their members.⁹ And they were quite successful in this: while the relative wages of the lowest paid increased across the board and the manual wage distribution became much more compressed, the manual–white-collar distribution remained remarkably stable during the first two decades of the postwar period (NVV 1957; Reinalda 1985).

By the end of the 1960, however, all of the three main union federations had completed the longstanding process of dismantling their white-collar associations and divided their members over their sectoral affiliates (Huetting et al 1982). As we will see, it is no coincidence that the union federations adopted a much more ambitious egalitarian agenda from this period. The following section illustrates the consequences of this agenda. It also shows how the persistence of occupational unionism among both manual and white-collar workers made sure that both attempts to improve the relative wages of the lowest paid and more far-reaching wage compression policies remained impossible to implement – or at least to sustain – in the United Kingdom.

Skills Over Numbers: The Economic Strength of Occupational Unionism

When labor unions oppose wage settlements that involve wage compression, they may also be reluctant to accept redistributive government policies that result in a reduction in wage differentials. This makes it somewhat surprising that in much of the literature on labor market development unions are treated as key allies of left parties in their pursuit of a redistributive agenda (e.g. Bradley et al, 2003; Iversen and Soskice, 2009; Simoni, 2013). The British experience shows that this does not have to be the case. When, for instance, a British Labour government in the mid-1960s first contemplated the introduction of a statutory national minimum wage to improve matters for the lowest paid, the TUC strongly opposed this. It continued to do so for the next twenty years. Existing explanations for the long-standing opposition of the TUC to this generally center on union suspicions of state motives or fears that increased state intervention might affect their future ability to attract workers (Minkin, 1991, p. 429; Gospel and Palmer, 1993, p. 208; Metcalf, 1999, p. 172; Terry, 2000, p. 157; Howell, 2005, p. 181; Blackburn, 2007, p. 189). Yet empirical evidence suggests that the occupational defense of wage differentials was at least as important. For instance, when the TUC first approached its affiliates on the issue during the late 1960s, craft unions like the Iron and Steel Trades Confederation simply motivated their opposition against it by arguing that it would “retard the progress...of those workers whose earnings were above the statutory minimum.” This, the union warned, would not be accepted by its members. To support this, it mentioned that when steel employers had some years ago suggested concentrating wage increases on the low paid, its members had strongly opposed this. Occupational white-collar unions like the Civil and Public Services Association even went so far as to state that their membership was “unwilling to sacrifice...any contraction of incremental scales in order to help those at the lower levels, essentially because many of those at the top felt low paid themselves” (MRC, MSS.292B/115.4/3: Low pay: further appraisal in the light of union comments, 10-6-1970). Under these circumstances the TUC felt that the only effect of the introduction of a statutory national minimum wage would be to increase inflation.¹⁰ The Labour government agreed and withdrew its statutory wage proposals when the TUC publicly voiced its opposition to it.

Those unions that opposed the statutory national minimum wage because of its redistributive consequences naturally also resisted granting higher than average wage increases to the lowest paid. In addition, they resisted measures aimed at compressing the whole range of the wage distribution. This became clear in the early 1970s, when consecutive Conservative and Labour governments once more pressed unions to accept coordinated wage bargaining in order to limit wage growth. It is worth investigating this period – which was characterized by a degree of wage bargaining centralization that was higher than anywhere else in Europe at the time – for at least two reasons. First, it confirms that long-term centralization of wage bargaining is impossible to

achieve in the presence of strong occupational unionism. Second, it confirms that the ability of these unions to preserve wage differentials resulted not from their numerical strength, but from their economic power.

The five years ranging from 1973 to 1977 have been the one period in the United Kingdom where it proved possible to reach national wage settlements with a clear redistributive element. Known as the years of the “social contract,” wage settlements in each of these years contained (various combinations of) minimum pay rates, flat-rate increases, or maximum ceilings. To explain the creation of the social contract it is imperative to realize that the United Kingdom at the time went through one of the worst economic crises in its history. The crisis was so severe that the British government in 1976 had to approach the International Monetary Fund for a loan to reach its debt obligations. Under these circumstances it proved possible to suspend the normal wage bargaining machinery for a couple of years. After serious threats from the incumbent Labour government that it might otherwise impose such a policy by statutory means, a majority of TUC members gave its official support to a national wage policy aimed at achieving wage restraint in 1974. That this policy included strong redistributive elements can be attributed to the numeric power of the general union movement. That these hardly affected existing differentials can in turn be attributed to the economic power of Britain’s occupationally organized unions.

Perhaps the most remarkable feature of the social contract is that it no lasting effect on the wage structure. Nearly five years of wage settlements with minimum pay rates, flat-rate wage increases and maximum ceilings on pay rates neither compressed the manual wage structure nor substantially affected the manual–non-manual wage differential. On the contrary, and as illustrated by table 1, in the years immediately before and after the social contract, the wage gap between workers in the lowest and highest deciles of the manual distribution had only increased. Moreover, by 1982 top earners actually received a larger share of the manual distribution than they did almost a hundred years ago. To contemporaries, both the long-term stability of the manual wage differential and lack of impact of the social contract were “startling” (Mayhew, 1981, p. 92). One of the reasons for this lay in the strong contrast with the situation in most other western European countries, where occupational and skill differentials did decrease substantially in the postwar period (Hibbs, 1991; OECD, 1996; Förster and Vleminckx, 2004). In nearly all of these countries this process accelerated between the late 1960s and early 1980s, although to a higher degree in some countries than in others. For reasons that will be outlined below, the reduction in occupational and skill differentials would be particularly severe in the Netherlands.

Table 1: Dispersion of weekly earnings of full-time male manual workers in the United Kingdom, 1886-1980				
Year	% median lowest decile	% median lowest quartile	% median upper quartile	% median highest decile
1886	68.6	82.8	121.7	143.1
1906	66.5	79.5	126.7	156.8
1938	67.7	82.1	121.7	145.2
1960	70.6	82.6	121.7	145.2
1970	67.3	81.1	122.3	147.5
1982	68.3	81.8	123.5	152.6
Sources Pond, 1981, p. 1-10; Pond and Winyard, 1984, p. 15.				

So how can we explain the lack of impact of the infamous social contract? We cannot do so by emphasizing the numerical strength of Britain's occupational unions. After all, craft unions representing skilled manual workers and occupational white-collar unions by the 1970s represented less than a third of the unionized workforce (Ebbinghaus and Waddington, 2000, p. 739). As a result, they were strongly outvoted at annual meetings of the TUC Congress during the first years of the social contract.¹¹ Yet, beyond limiting the overall scale of compression by voicing their strong opposition to it, they managed to maintain existing differentials in two ways: first, by negating national bargaining outcomes through substantial wage drift; and second, by simply withdrawing their support for the social contract when dissatisfaction with centralized bargaining reached a boiling point, and subsequently making up for any lost differentials through decentralized bargaining.

Wage drift certainly explains much of the ability of occupationally organized unions to maintain wage differentials. While a phenomenon that occurs in all countries with centralized wage settlements, it arguably was much more severe in the United Kingdom where actual wage increases in one year were nearly twenty-six percent higher than the nationally agreed rate (Mayhew, 1981, p. 80). Such rates obviously left much room for a restoration of wage differentials. There is no doubt that wage drift was so substantial under the social contract because occupationally organized unions aggressively pressed employers to maintain wage differentials (Brown, 1976). One reason why they were able to pressure employers into doing so is that the skill profile of their membership gave them substantial bargaining leverage. What also helped was that the social contract was only loosely policed. Although formally enforced by law, there was hardly any oversight (Dean, 1981, p. 60). Under such circumstances it is not surprising that national agreed rates were not maintained on a sectoral or firm level. A good example of this is the fate of what was arguably the most controversial wage settlement under the social contract, the so-called "six pound pay policy." Enacted in 1975, this policy was strongly resisted by the craft unions. That they were defeated on

this in the General Council hardly seems to have mattered in the end, as the policy was so loosely policed that in many sectors it simply meant that the lowest paid workers received six pounds while higher paid workers received as much as sixteen pounds (Ashenfelter and Layard, 1983, p. 130).

It is hard to say to what degree wage drift enabled the occupationally organized union movement to maintain wage differentials exactly. What is clear, however, is that any lost relativities were restored when the social contract eventually broke down. This breakdown neatly illustrates a major problem with the view that wage bargaining centralization reduces wage inequality because it empowers lower paid workers. The problem here is that unions representing higher paid workers are likely to withdraw their support for centralized bargaining when this is the case. Craft union representatives to the TUC General Council had made this painfully clear at the start of the social contract, by warning that “if the flat-rate system was adopted it would finish up in a wage explosion” (MRC, MSS.292D/20/8: General Council minutes, 21-5-1975, p. 101). And indeed, this is what eventually happened. Mirroring events in the 1940s, after a few years of redistributive wage settlements the annual TUC Congress in 1976 first adopted a contradictory resolution that called for “the recognition and payment of satisfactory differentials” while “assist[ing] workers on low pay” (TUC, 1976, p. 637). And like in the 1940s, the return to percentage increases in the following year did not prevent occupationally organized unions from withdrawing their support for centralized bargaining and seeking to restore lost differentials. Contemporaries viewed this as the major reason for the wage explosions that eventually came about during the infamous 1978-1979 “winter of discontent,” describing it as the outcome of a “harsh internecine conflict within the working class itself” (Taylor, 1982, p. 207).

When Numbers Matter: The Representational Monopoly of Industrial Unionism

The events that took place in the United Kingdom during the 1960s and 1970s stood in stark contrast to the Netherlands, where the three main union federations had by the mid-1960s succeeded in completing their transition towards full industrial unity, and had done so by disbanding their last white-collar affiliations and reallocating their member over various sectoral organized affiliates. This enabled them to adopt a much broader redistributive agenda. As a result, flat-rate wage increases and maximum ceilings became the norm in the Netherlands from the late 1960s on to the early 1980s when the rise in unemployment enabled employers to put a halt to this. The consequences of this for the wage distribution were immense.¹² By the early 1980s the Netherlands no longer mainly distinguished itself from the United Kingdom through a much more compressed lower half of the wage distribution; it had also managed to compress the wages of above-average earners in a much more robust manner.¹³ While receiving unequivocal support from the union members of the three federations, many higher paid workers strongly resented this. And many of these were union members.

Contemporary observers therefore predicted that the redistributive agenda of the big three would inevitably lead to a surge in independent, occupationally organized, unionism (Windmuller, 1969, p. 170). Yet this surge never took place. Although the events of the 1970s do seem to have benefited independent unions somewhat and even led to the creation of a separate union federation for higher paid white-collar workers, there never was a massive move towards occupational unionism in the Netherlands.¹⁴ Tellingly, while aware that there might be a relationship between their support for wage compression and the popularity of independent unionism among white-collar workers at the time (NVV, 1970, p. 75), the big three never felt the need to stop pushing for flat-rate wage increases and maximum ceilings on pay rises.

They had an excellent reason for this. After all, they had only recently completed a long process of breaking up their occupationally organized white-collar union affiliates and reclassifying the members of these unions as members of their industrial union affiliates. This process had met with much resistance, forcing the NVV to expel at least one of its affiliates during the 1960s (Huetting et al, 1982, p. 207 and p. 196; Reinalda, 1985, p. 178-79). Despite some fears about this at the time, this forced reorganization of the labor union movement had hardly led to a surge in independent unionism. How can we explain this? Much of this seems to have to do with the self-reinforcing nature of industrial unionism. Long before adopting a broad redistributive agenda, the three union federations had obtained such a large share of the total union membership that they had become labor's exclusive voice on all issues related to national wage bargaining, general economic policy, and social security implementation. This large share itself, as well as the industrial nature of wage bargaining and social security implementation, made them the natural choice of most workers who considered joining a labor union. Well aware of this, the big three in the late 1960s boasted that the industrial nature of labor relations was now so strongly entrenched that the labor union movement itself could hardly influence this (IISG, Archief NVV, Doos 742, Concept-rapport, 23-10-1967, p. 84). Naturally, this did not stop them from jealously protecting the industrial nature of labor relations in the Netherlands, through activities for which they received full support from employers (Huetting et al, 1982, p. 305-10).

Perhaps the latter tells us most about the robustness of industrial unionism. There is no doubt that employers strongly disliked the broad redistributive agenda adopted by the three union federations in the late 1960s. Their resistance to this seriously frustrated wage negotiations during the 1970s, resulting in lengthy negotiations, several failures to reach central wage agreements (thus pushing wage bargaining to the industrial level), and much bickering over their interpretation. In sum, during the 1970s, and to a large extent due to conflicts over wage relativities, the relationship between the industrial union movement and employers was more discordant than ever before – and probably ever since. Yet crucially, this never stopped employers from supporting the industrial nature of labor unionism in the Netherlands. To do so would have meant to break with a

long history of employer support for the creation of a sectoral organized social security system, a neo-corporatist system of decision-making that was based on cooperation with the main employer federations, and occasional non-recognition of independent unions. Employers greatly valued the relatively harmonious system of labor relations that followed from this, and continued to do so when the relationship with the industrial labor movement became more dissonant during the 1970s. As a result, they never gave their full support to workers who wanted to break with the sectoral nature of labor unionism. For instance, when associations for higher personnel approached them for financial assistance to set up independent occupational unions, employers opposed this because “existing [industrial] unions never received support either” (VNO-NCW, AB 74-131: Vergadering Algemeen Bestuur VNO, 10-9-1974, p. 13). For administrative reasons, they also supported union demands for integration of manual and white-collar agreements (IISG, Archief NVV, doos 769, Concept-notitie inzake de integratie van cao’s, 23-2-1967). And while resisting such integration for the highest paid managerial workers, they at the same time resisted pressure from these workers to bargain separately from industrial unions. They motivated this by emphasizing their appreciation of the “harmonious nature of negotiations” in the Netherlands. In doing so, they acknowledged the need to “adjust higher and lower wages” (VNO-NCW, AB 74-115: Vervolgnota werkgevers en hoger personeel, 1974, p. 1-4). As a result, they indirectly came to support the redistributive agenda of the industrial union movement.

Conclusion

One of the main problems confronting labor unions during wage bargaining is how to deal with the conflicting demands of different groups of workers over the division of labor market earnings. These conflicting demands constitute a considerable internal challenge for unions that require them to manage conflicts within the working class. The preceding analysis illustrated that unions do not simply deal with such conflicts by acting as utility maximizers. Instead, unions deal with such conflicts in quite different ways, with union policies towards wage relativities reflecting their internal organizational blueprint. This blueprint not only shapes union views of what constitutes a ‘fair’ division of labor market earnings; it also matters greatly to their ability to embark on policies that aim to alter the wage distribution. The preceding analysis illustrated this in two major ways. It first showed how the respective absence and presence of craft unionism explains the success and failure of attempts to improve the relative wages of the lowest paid in the Netherlands and the United Kingdom. It then illustrated how the disappearance of occupational unionism among white-collar workers in the Netherlands enabled the union movement there to adopt a much broader redistributive agenda.

These findings have consequences for our understanding of labor union wage bargaining behavior and the wider literature on wage inequality and labor market

development that far exceed the scope of this study. Although the main preoccupation of this article has been with explaining labor union wage bargaining behavior, it has on several occasions pointed to the consequences of its findings for the wage inequality literature – thereby strongly criticizing the tendency to argue that high union density levels and centralized wage bargaining “lead” to a more equal wage distribution. In addition, the analysis described at length how labor’s internal organizational blueprint matters not just to unions’ willingness and ability to pursue wage compression policies, but also to the scope for redistributive government in the labor market, incomes policies aimed at achieving wage restraint, and centralized wage bargaining. To further explore how union organization interacts with these labor market policies and institutions, it is crucial to fully appreciate the difficult role of unions as “conflict mediators” between different categories of workers.

The importance of labor’s organizational blueprint for this is perhaps best illustrated by the example of the skilled manual worker. Historically the organizational backbone of labor union movements in most advanced industrial countries, skilled manual workers can either organize in craft or in broad-industrial unions. In the United Kingdom, skilled manual workers have long preferred to organize in craft unions. Considering their location in the wage distribution, many scholars would probably argue that such workers stand to gain from flat-rate benefits that reduce the overall wage distribution. Yet because of their preoccupation with the manual wage differential, British unions representing skilled manual workers were among the staunchest opponents of flat-rate wage increases. In the Netherlands, by contrast, skilled manual workers have historically preferred to organize in industrial unions. These unions not only strongly supported flat-rate wage increases; they also repeatedly pushed for percentage increases combined with minimum pay rates and redistributive government intervention that benefited a small percentage of workers at the expense of all other workers. The latter, more than anything, illustrates that union wage bargaining behavior cannot be understood through models that emphasize majoritarian interests. Unions evidently also live in a moral economy that is shaped by normative orientations that emphasize fairness and solidarity. How such norms shape labor union policies crucially depends on their organizational blueprint though.

Notes

¹ In fact, up to the 1970s it was a commonly held view that unions *increase* wage inequality because membership concentrated among workers in the upper half of the earnings distribution (e.g. Rees, 1962; Rosen, 1970; Johnson, 1975; Millward, Forth, and Bryson, 2001).

² The history of the evolution of unionism in the Netherlands suggests that both played a role, with both socialist and confessional unions emphasizing broad worker solidarity, and socialist unions also emphasizing labor unity against employers (e.g. Hueting, De Jong and Ney, 1982).

³ Labor historians have long illustrated how this resistance prevented the coming about of a more centralized union federation in the United Kingdom in the pre-war period (e.g. Fulcher, 1980).

⁴ For a list of industries in which flat-rate increases were common during the first two years of the War, see MRC, MSS.292/110/1: TUC research department, War additions or cost of living sliding-scales introduced during the War, 18-11-1940; Ibidem, Wage increases since the War in industries not covered by cost-of-living sliding scales, 1-8-1941.

⁵ For events in the building and engineering industries, see MRC, MSS.292/110/2: Proposed increase in basic rates of wages and introduction of incentive pay system, 1-9-1947; Ibidem, Memorandum on the need for a new wages structure in the engineering industry, 1-7-1945.

⁶ According to the NVV, wages for unskilled, semi-skilled and skilled manual workers had increased by respectively 22, 16 and 15 percent between 1940 and 1942. It did not have exact numbers for later years. IISG, Archief NVV, doos 21, Notulen Hoofdbesturenvergadering, 19-7-1945.

⁷ There was a broad consensus on the need to raise the lowest wage levels (Mulder, 1956, p. 22).

⁸ For instance, in 1949 and 1950 the three union federations opposed government proposals for maximum ceilings, wanting to set these at substantially higher levels than offered by the government. At the same time, they wanted minimum rates that were far more generous than proposed by the government. IISG, Archief NVV, doos 312: Kort verslag hoofdbesturenvergadering van 9-11-1950, p. 1; Ibidem, Kort verslag NVV-looncommissie, 2-9-1950, p. 7.

⁹ Some white-collar unions also opposed increasing the relative wages of the low paid. In the late 1940s, for example, union federation efforts to create a minimum salary rate for office personnel were opposed by KAB-member St. Franciscus because of its effects on wage differentials (Reinalda, 1985, p. 6).

¹⁰ On the TUC's realization that craft unions would immediately seek to restore wage differentials and that this would lead to inflation as there is an overall limit on what firms can afford to pay without raising prices, see MRC, MSS.292B/115.4/4: LPWP, restructuring incomes and jobs, 12-11-1969; MRC, MSS.292B/116/1: LPWP 4/3, 2-12-1969.

¹¹ For instance, during a vote on the so-called 6 pounds policy, 19 unions voted in favor, 13 voted against and 6 abstained. Tellingly, nearly all general union

representatives voted in favor and nearly all of craft and occupational white-collar representatives voted against (Dorey, 2001, p. 149).

¹² To illustrate, between 1970 and 1980, the level of the net minimum wage increased from 71 to 85 percent of median wage. By comparison, someone earning four times the gross median wage in 1975 had enjoyed net earnings of 309 percent of the median wage in 1970 and only 245 percent in 1980 (Centraal Planbureau, 1981, p. 147).

¹³ In the mid-1980s, the 90-50 and 50-10 differentials were respectively 1.94 and 1.86 in the United Kingdom versus 1.84 and 1.58 in the Netherlands (Alber, 2006, p. 206).

¹⁴ From 85 percent in the 1960s, the amount of organized workers represented by the ‘big three’ declined to 80 percent in the 1990s. Moreover, a part of the small increase in independent unionism can be attributed to ‘natural growth’ resulting from the relative growth of white-collar occupations (Ruyseveldt and Visser, 1996, p. 228).

References

Agell, J. and K.E. Lommerud. “Union Egalitarianism as Income Insurance.” *Economica* 59 (1992): 295-310.

Alber, J. “The European Social Model and the United States.” *European Union Politics* 7 (2006): 393-419.

Ashenfelter, O. and R. Layard. “Incomes Policy and Wage Differentials.” *Economica* 50 (1983): 127-143.

Baccaro, L. “Labor, Globalization and Inequality: Are Unions Still Redistributive?” *Research in the Sociology of Work* 22 (2011): 341-76.

Bain, G.S. *The Growth of White-Collar Unionism*. Oxford: Clarendon Press, 1970.

Blackburn, S. *A Fair Days Wage For a Fair Days Work? Sweated Labour and the Origins of Minimum Wage Legislation in Britain*. Aldershot: Ashgate, 2007.

Blau, F. and L. Kahn. “International Differences in Male Wage Inequality: Institutions versus Market Forces.” *Journal of Political Economy* 104 (1996): 791-837.

Booth, A.L. *The Economics of the Trade Union*. Cambridge: Cambridge University Press, 1995.

Bradley, D., E. Huber, S. Moller, F. Nielsen, and J.D. Stephens. “Distribution and Redistribution in Postindustrial Democracies.” *World Politics* 55 (2003): 193-228.

Brown, W. “Incomes Policy and Pay Differentials,” *Oxford Bulletin of Economics and Statistics* 38 (1976): 27-49.

Checchi, D., J. Visser and H.G. van der Werfhorst. "Inequality and Union Membership: The Influence of Relative Earnings and Inequality Attitudes." *British Journal of Industrial Relations* 28 (2010): 84-108.

Centraal Planbureau. *Centraal Economisch Plan*. Den Haag: Centraal Planbureau, 1981).

Charles, R. *The Development of Industrial Relations in Britain 1911-1939. Studies in the Evolution of Collective Bargaining at National and Industry Level*. London: Hutchinson, 1973.

Dean, A. "Public and Private Sector Pay and the Economy." In J.L. Fallick and R.F. Elliot, *Incomes Policies, Inflation and Relative Pay*. London: Allen & Unwin, 1981.

Dorey, P. *Wage Politics in Britain. The Rise and Fall of Incomes Policies since 1945*. Brighton: Sussex Academic Press, 2001.

Ebbinghaus, B. and J. Waddington. "United Kingdom/Great Britain." In B. Ebbinghaus and J. Visser, *Trade Unions, Trade Unions in Western Europe since 1945*. London: Macmillan, 2000.

Elliot, R.F., and J.L. Fallick. "Pay Differentials In Perspective: A Note On Manual and Non-manual Pay Over the Period 1951-1975." *Economic Journal* 89 (1979): 377-384.

Elster, J. "Wage Bargaining and Social Norms." *Acta Sociologica* 32 (1989): 113-136.

Flanagan, R.J., D. Soskice, and L. Ulman. *Unionism, Economic Stabilization, and Incomes Policies: European Experience*. Washington, D.C.: Brookings, 1983.

Flanders, A. *Management and Unions*. London: Faber & Faber, 1970.

Förster, M. and K. Vleminckx. "International Comparisons of Income Inequality and Poverty: Findings from the Luxembourg Income Study." *Socio-Economic Review* 2 (2004): 191-212.

Forth, J., and N. Millward. "The Impact of Unions on Pay Levels in Lower-Skilled Jobs." *National Institute Economic Review* 176 (2001): 76-90.

Freeman, R. "Unionism and the Dispersion of Wages." *Industrial and Labor Relations Review* 34 (1980): 489-509.

Fulcher, J. "On the Explanation of Industrial Relations Diversity: Labour Movements, Employers and the State in Britain and Sweden," *British Journal of Industrial Relations* 26 (1980): 246-74.

Golden, M.A. and J.B. Londregan. "Centralization of Bargaining and Equality: A Correction of Wallerstein." *American Journal of Political Science* 50 (2006): 208-213.

Gospel, H.F. and G. Palmer. *British Industrial Relations*. London: Routledge, 1994.

Gross, J.A. *The Reshaping of the National Labor Relations Boards: National Labor Policy in Transition 1937-1947*. Albany: State University of New York Press, 1982.

Harmsen, G., and B. Reinalda. *Voor de bevrijding van de arbeid: beknopte geschiedenis van de Nederlandse vakbeweging*. Nijmegen: SUN, 1982.

Hibbs, D. "Market Forces, Trade Union Ideology and Trends in Wage Dispersion." *Acta Sociologica* 34 (1991): 89-102.

Horn, H. and A. Wolinsky. "Worker Substitutability and Patterns of Unionisation." *Economic Journal* 98 (1988): 484-497.

Howell, C. *Trade Unions and the State: The Construction of Industrial Relations in Britain, 1890-2000*. Princeton: Princeton University Press, 2005.

Huetting, E., F. de Jong, and R. Neij. *Naar groter eenheid: de geschiedenis van het Nederlands Verbond van Vakverenigingen*. Amsterdam: Van Genneep, 1982.

Hulst, N. van. *De effectiviteit van de geleide loonpolitiek in de praktijk*. Amsterdam: Wolters-Noordhof, 1984.

Hyman, R. and I. Brough. *Social Values and Industrial Relations: A Study of Fairness and Equality*. Oxford: Basil Blackwell, 1975.

Hyman R. *Understanding European Trade Unionism: Between Market, Class and Society*. London: Sage, 2001.

Iversen, T. *Contested Economic Institutions: The Politics of Macroeconomics and Wage Bargaining in Advanced Economies*. Cambridge: Cambridge University Press, 1999.

Iversen, T. and D. Soskice. "Distribution and Redistribution: The Shadow of the Nineteenth Century," *World Politics* 61 (2009): 428-486.

Iversen, T. and D. Soskice. "Dualism and Political Coalitions: Inclusionary Versus Exclusionary Reforms in an Age of Rising Inequality." Paper presented at the Annual Meeting of the American Political Science Association, September 3-6 in Toronto (2009).

Johnson, G. "Economic Analysis of Trade Unionism." *American Economic Review* 65 (1975): 23-28.

Kaufman, B.E. "What Do Unions Do: Evaluation and Commentary." In J.T. Bennet and B.E. Kaufman, *What Do Unions Do? A Twenty-Year Perspective*. New Brunswick, N.Y.: Transaction, 2007.

Keller, J.T. "Corporatism and Official Union Hegemony: The Case of French Agricultural Syndicalism." In S. Berger, *Organizing Interests in Western Europe: Pluralism, Corporatism and the Transformation of Politics*. New York: Cambridge University Press, 1981.

Klooster, H., J. Sprenger, and V. Vrooland. *Het Blauwzwarte Boekje. Van beroepsorganisatie naar bedrijfsorganisatie*. Barendrecht: Vakbondshistorische Vereniging, 1986.

Machin, S.J. "An Appraisal of Economic Research on Changes in Wage Inequality." *Labour* 22 (2008): 7-26.

Mares, I. *Taxation, Wage Bargaining and Unemployment*. Cambridge: Cambridge University Press, 2006.

Marks, G. *Unions in Politics. Britain, Germany, and the United States in the Nineteenth and Early Twentieth Centuries*. Princeton: Princeton University Press, 1989.

Mayhew, K. "Incomes Policy and the Private Sector." In J.L. Fallick and R.F. Elliot, *Incomes Policies, Inflation and Relative Pay*. London: Allen & Unwin, 1981.

Metcalf, D. "The British National Minimum Wage." *British Journal of Industrial Relations* 16 (1999): 171-201.

Metcalf, D., K. Hansen and A. Charlwood. "Unions and the Sword of Justice: Unions and Pay Systems, Pay Inequality, Pay Discrimination and Low Pay." *National Institute Economic Review* 176 (2001): 61-75.

Millward, N., J. Forth, and A. Bryson. *Who Calls the Tune at Work? The Impact of Trade Unions on Jobs and Pay*. York: York Publishing Services, 2001.

Minkin, L. *The Contentious Alliance: Trade Unions and the Labour Party*. Edinburgh: Edinburgh Press, 1991.

Moene, K.O. and M. Wallerstein. "Inequality, Social Insurance, and Redistribution." *American Political Science Review* 95 (2001): 859-874.

Mosher, J.S. "U.S. Wage Inequality, Technological Change, and Decline in Union Power." *Politics & Society* 35 (2007): 225-63.

Mulder, T.B.C. *Loonvorming in overleg. Gedagringen van het georganiseerde bedrijfsleven in Nederland na de tweede wereldoorlog*. Assen: Van Gorcum, 1956.

NVV. *Wenkend perspectief. Studie over de inkomens- en vermogensverdeling*. Amsterdam: Nederlands Verbond van Vakverenigingen, 1957.

NVV. *Werknemer en vakbeweging. Over de verhouding tussen het NVV en het categorialisme in Nederland*. Amsterdam: Nederlands Verbond van Vakverenigingen, 1970.

NVV. *Gelijk en meer gelijk. Enkele inkomenspolitieke instrumenten*. Utrecht: Stichting WOV, 1975.

OECD. *Employment Outlook. Paris: OECD, 1996*.

Oliver, R. "Diverging Developments in Wage Inequality: Which Institutions Matter?" *Comparative Political Studies* 41 (2008): 1551-1582.

O'Riordan, M. "Minimum wages in Europe." *Low Pay Review* 5 (1981): 1-18.

Oskarsson, S. "Divergent Trends and Different Causal Logics: The Importance of Bargaining Centralization When Explaining Earnings Inequality across Advanced Democratic Societies," *Politics and Society* 33 (2005): 359-385.

Oude Nijhuis, D. "Revisiting the Role of Labor: Worker Solidarity, Employer Opposition, and the Development of Old-Age Pensions in the Netherlands and the United Kingdom." *World Politics*, 61 (2009): 296-329.

Pond, C. "Low Pay – 1980s Style." *Low Pay Review* 4 (1981): 1-10.

Pond, C., and S. Winyard. *The Case for a National Minimum Wage*. London: LPU, 1984.

Pontusson, J. and D. Rueda. "Wage Inequality and Varieties of Capitalism." *World Politics*, 52 (2000): 350-383.

Pontusson, J. and D. Rueda. "The Politics of Inequality: Voter Mobilization and Left Parties in Advanced Industrial States." *Comparative Political Studies* 43 (2010): 675-705.

Pontusson, J., D. Rueda and C. Way. "Comparative Political Economy of Wage Distribution: The Role of Partisanship and Labour Market Institutions." *British Journal of Political Science* 32 (2002): 281-308.

Pontusson, J. *Inequality and Prosperity: Social Europe versus Liberal America*. Ithaca: Cornell University Press, 2006.

Pontusson, J. "Once Again a Model: Nordic Social Democracy in a Globalized World." In J. Cronin, G. Ross, and J. Shoch, *What's Left of the Left: Democrats and Social Democrats in Challenging Times*. Durham: Duke University Press, 2011.

Rees, A. *The Economics of Trade Unions*. Chicago: University of Chicago Press, 1962.

Regini, M. "The Conditions for Political Exchange: How Concertation Emerged and Collapsed in Italy and Great Britain." In J.H. Goldthorpe, *Order and Conflict in Contemporary Capitalism. Studies in the Political Economy of Western European Nations*. Oxford: Clarendon Press, 1983.

Reinalda, B. *De Dienstenbonden. Klein maar strijdbaar*. Baarn: AMBO, 1985.

Rosen, S. "Unionism and the Occupational Wage Structure in the United States." *International Economic Review* 11 (1970): 269-286.

Ruyseveldt, J. and J. Visser. *Industrial Relations in Europe: Traditions and Transitions*. London: Sage, 1996.

Scheve, K. and D. Stasavage. "Institutions, Partisanship, and Inequality in the Long Run." *World Politics* 61 (2009): 215-253.

Simoni, M. "The Left and Organized Labor in Low-Inflation Times." *World Politics* 65 (2013): 314-49.

Smulders, A.M.F. *Inkomensverdeling en werkgelegenheid*. Leiden: Stenfert Kroese, 1952.

Stephens, J.D., and M. Wallerstein. "Industrial Concentration, Country Size, and Trade Union Membership." *The American Political Science Review* 85 (1991): 941-53.

Swenson, P. *Fair Shares: Unions, Pay, and Politics in Sweden and West Germany*. Ithaca: Cornell University Press, 1989.

Swenson, P. *Capitalists Against Markets: The Making of Labor Markets and Welfare States in the United States and Sweden*. Oxford: Oxford University Press, 2002.

Swenson, P. and J. Pontusson. "The Swedish Employer Offensive against Centralized Bargaining." In T. Iversen, J. Pontusson and D. Soskice, *Unions, Employers, and Central Banks: Macroeconomic Coordination and Institutional Change in Market Economies*. Cambridge: Cambridge University Press, 2000.

Taylor, R. "The Trade Union Problem in British Politics." In B. Pimlott and C. Cook, *Trade Unions in British Politics*. London: Longman, 1982.

Terry, M. *Redefining Public Sector Unionism: UNISON and the Future of Trade Unions*. London: Routledge, 2000.

TUC. *Report of the Proceedings of the 80th Annual Trades Union Congress*. London: Trades Union Congress, 1948.

TUC. *Report of the Proceedings of the 106th Annual Trades Union Congress*. London: Trades Union Congress, 1976.

Turner, H.A., and D.A.S. Jackson. "On the Stability of Wage Differences and Productivity-Based Wage Policies: An International Analysis." *British Journal of Industrial Relations* 7 (1969): 1-18.

Visser, J. "The Netherlands." In B. Ebbinghaus and J. Visser, *Trade Unions in Western Europe since 1945*. London: Macmillan, 2000.

Visser, J. and D. Checchi. "Inequality and the Labor Market: Unions." In B. Nolan, W. Salverda and T. Smeeding, *The Oxford Handbook on Inequality*. Oxford: Oxford University Press, 2011.

Visser, J. and A. Hemerijck. *A Dutch Miracle: Job Growth, Welfare Reform and Corporatism in the Netherlands*. Amsterdam: Amsterdam University Press, 1997.

Wallerstein, M. "Wage-Setting Institutions and Pay Inequality in Advanced Industrial Societies." *American Journal of Political Science* 43 (1999): 649-80.

Windmuller, J.P. *Labor Relations in the Netherlands*. Cornell: Cornell University Press, 1969.