Seniority profiles in unionised workplaces:
Do unions still have the edge?

By

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Discussion Paper 2004-09
October 2004

Editor: Dr W David McCausland

www.abdn.ac.uk/business/
Abstract
This paper, using data from the British Household Panel Survey, explores how institutional arrangements influence employees’ wages. Particularly, it distinguishes the different paths seniority-earnings profiles follow depending on whether the individual is employed in a workplace where trade unions and collective bargaining are present, or not. Within this framework, two propositions are set. It is argued that in the union sector seniority should be an important determinant of wages, while in the less structured non-union sector true productivity, proxied by the more competitive accumulated skills and professional expertise, should have a key role on earnings profiles. Indeed the empirical analysis on male employees verifies both propositions. Seniority-earnings profiles appear to be steeper in the union-sector, while occupational expertise is estimated to have a more significant role in non-union jobs.

Keywords: Human Capital; Wage Premia, Trade Unions.

JEL classification: J24, J31, J41, J51

* The author thanks Mark Stewart, Robin Naylor, Jeff Frank and Erling Barth for useful comments and suggestions. Helpful comments were also received by participants at the 2004 Royal Economic Society conference at Swansea, the XVIII European Society of Population Economics conference at Bergen, the 2004 Work and Pensions conference at Royal Holloway University of London and seminars at the University of Warwick and Aberdeen. Research support granted by ESRC (fund no: R00429934482) is kindly acknowledged.
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