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Becher, Michael; Pontusson, Harry Jonas

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WHOSE INTERESTS DO UNIONS REPRESENT? UNIONIZATION BY INCOME IN WESTERN EUROPE

Michael Becher and Jonas Pontusson

ABSTRACT

Purpose – *The goal of this chapter is to explore whether variation in the distribution of union members across the income distribution affects the role of unions in redistributive politics.*

Design/methodology/approach – *The conceptual part of the study provides a theoretical motivation for disaggregating organized labor by income. The empirical part uses European Social Survey data for 15 West European countries 2006–2008 to describe the composition of union membership by income across countries and to explore, in a preliminary fashion, the implications of where union members are located in the income distribution for social protection and redistribution.*

Findings – *In most countries, workers with incomes above the median are better organized than workers below the median and the income of the median union member exceeds the income of the median voter. The political implications of the overrepresentation of relatively well-off workers depend on the mechanism of preference aggregation within unions and the influence of unions in the policymaking process. While leaving a thorough examination of these issues for future research, we*

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present descriptive regression results that indicate that the share of union members below the median does condition the association between aggregate union density and redistribution. It does not condition the association between union density and policy variables that pertain less directly to the distribution of income.

Originality/value of paper – *This is the first comparative study to map the distribution of union members across the income distribution and to examine the implications of compositional variation by income for redistributive politics.*

Keywords: Unions; income inequality; redistribution; policymaking; welfare state

INTRODUCTION

The comparative study of the public provision of social welfare in advanced industrial states has spawned a truly massive literature over the past three decades. Vigorous debates among contending theoretical perspectives have characterized this literature, but one theoretical perspective, the so-called power resources approach (PRA) (Korpi, 2006), has played a very prominent role in its development. Well-known by all students of comparative welfare-state development, the power-resources approach identifies the balance of power between labor and capital as the critical determinant of the extent to which social welfare provisions redistribute income or, in Esping-Andersen's (1990) formulation, decommodify labor power. Treating the systematic power of capital essentially as a constant, scholars working in this theoretical tradition typically end up focusing on working-class mobilization, measured either by unionization or by electoral support for Left parties, as the critical variable.

The PRA has been criticized for ignoring the fact that employers have often supported the introduction and maintenance of public welfare provisions (see Estevez-Abe, Iversen, & Soskice, 2001; Swenson, 2002; Mares, 2003). In this chapter, we take up a different problem with the PRA: the assumption that "labor" constitutes a more or less homogeneous constituency with a common interest in redistribution and decommodification. As Nijhuis (2009, pp. 298–306) points out, both sides in the debate between "labor-centered" and "employer-centered" approaches to comparative welfare-state

development effectively take labor support of redistributive, decommodifying policies for granted. This may be a necessary assumption to have a clear-cut debate about the importance of labor strength, but it is nonetheless a problematic assumption, for the OECD countries differ not only with respect AU :2 to levels of aggregate union density but also with respect to the categories of workers that unions organize.

While the treatment of labor as a homogenous constituency is quite pervasive among comparative political economists, not just proponents of the PRA, it is by no means universal. As we discuss later in text, a number of recent contributions have explored employment conditions and skills as sources of divergent policy preferences among constituencies of organized labor and Left parties. To the best of our knowledge, however, no study to date has sought to map the distribution of union members across the income distribution and to explore, comparatively, the political implications of where union members are located in the income distribution. Using data from European Social Surveys (ESSs) of 2006 and 2008, the following chapter represents a first stab at filling this lacuna.[1]

In focusing on unionization by income, we build on the recent literature on individual preferences for redistribution (e.g., Alesina & Giuliano, 2009; AU :3 Finseeras, 2009; Rueda & Pontusson, 2009). Although most authors have focused their attention on other factors that influence preferences for redistribution, such as education, religiosity, beliefs in upward mobility, and racial-ethnic solidarity, this literature invariably finds that relative income is a significant predictor of support for redistribution. Not surprisingly, people with less income are more likely to support redistribution.

Assuming that unions aggregate the policy preferences of their members by some mechanism that resembles majority rule, it seems reasonably to suppose that the distribution of union members across the income distribution affects the extent to which unions endorse redistribution as a goal and actively promote redistributive policies. If we also assume, as theoretical models of redistributive politics commonly do (e.g., Meltzer & Richard, 1981), that government policy will reflect the preferences of the median voter in the absence of organized pressure groups, we might suppose, more specifically, that unionization will only be positively associated with redistributive policy outcomes when the median union member is poorer than the median voter.

Although our discussion focuses on the role of unions as an organized pressure group involved in setting government policy, the question of where union members are located in the income distribution is even more directly relevant to the literature on the implications of unionization for the

distribution of wages (see Visser & Checchi, 2009). Much of this literature builds on Freeman's (1980) observation that unionized sectors of the US economy have more compressed wages that nonunion sectors and resorts to median-voter logic to explain why unions tend compress wages among their members. As Moene and Wallerstein (this volume) put it, "unions are democratic organizations, and workers who receive below average pay constitute a majority given the typically skewed pay distribution." While it is undoubtedly the case that workers with below-average pay constitute a majority of *workers*, we should not take for granted that they constitute a majority of *union members*.

Our ESS-based estimates of unionization by income refer to disposable household income. This is not necessarily the best income concept for the purpose of evaluating arguments about the role of unions in redistributive politics, let alone union wage policy, but we believe that these estimates are nonetheless quite relevant. To anticipate, we find that the household income of the median union member exceeds the household income of the median voter in the vast majority of West European countries. In 4 of the 15 countries included in our analysis, the rate of unionization in the lower half of the income distribution is higher than or roughly equal to the rate of unionization in the upper half of the income distribution, but in the other 11 countries workers with household incomes above the median are significantly better organized than workers with household incomes below the median. In Greece and Portugal, workers with household incomes below the median account for less than one quarter of all union members. In the remaining 12 countries, the share of union members with household incomes below the median ranges between 39.9% (the UK) and 51.4% (Belgium).

Mindful of various data limitations, to which we shall return, we do not assert that West European unions primarily represent well-paid workers who are opposed to redistribution. For us, as comparativists, the more interesting question is whether cross-national variation in unionization by income conditions the role that unions play in redistributive politics. In the final section of the chapter, we explore this question in a very preliminary fashion, regressing various policy outcomes on aggregate union density and the share of union members with household incomes below the median. Our results suggest that unionization by income does not condition the association between aggregate union density and social spending, but it does condition the association between aggregate union density and policy outcomes that pertain more directly to the distribution of income.

The goals of this chapter are empirical and, indeed, largely descriptive. However, we conceive the chapter as part of a larger research agenda that

speaks to the limitations of existing theoretical frameworks in comparative political economy. Our long-term goal is to bridge the divide between the comparative welfare-state literature, on the one hand, and the political-economy-of-redistribution literature, on the other hand. The former literature focuses on already-constituted collective actors – representatives of social classes or economic sectors with taken-for-granted interests – and pays very little attention to individual preferences. By contrast, much of the political-economy-of-redistribution literature builds its analysis on individual agents and their preferences for redistribution, represented by well-behaved utility functions, and conceives politics as a process of preference aggregation by opportunistic political entrepreneurs. In isolation, both perspectives surely leave a good deal to be desired.

Our discussion proceeds in three steps, already indicated above. First, we elaborate on the relevance of our core question(s) for the comparative study of welfare-state development and redistribution. Second, we present the results of estimating union density by income quintile and other measures that capture cross-national variation in the composition of West European union movements, based on ESSs of 2006–2008. Third, we probe the implications of unionization by income for different policy outcomes. By way of conclusion, finally, we briefly discuss the causal mechanisms by which unions might influence policy outcomes.

FRAMING THE RESEARCH QUESTION

As the PRA to comparative welfare-state development is well known, a brief introduction to its core ideas should suffice. As restated by Korpi (2006), this theoretical tradition conceives of advanced capitalist societies as made up of two basic "classes:" on the one hand, "employers and economically well-endowed categories" and, on the other hand, "employees relying primarily on labor power." The central PRA claim is that the balance of power between these two classes is a major determinant of the extent and character of public welfare provisions.[2] Again, the power-resources tradition, as originally articulated by Korpi (1978) and restated by Korpi (2006), posits that employers and "economically well-endowed categories" enjoy a structural advantage over employees in capitalist societies, but the extent of this advantage varies over time and across countries. In part, this variation reflects the importance of human capital at different stages of capitalist development, but the main source of variation has to do with the extent to which employees

concentrate their dispersed power resources through collective action and thereby offset (partially) the structural power of employers.

It is important to note that the PRA scholars typically do not argue that working-class mobilization is the key to understanding cross-national variation in overall levels of social spending or, in other words, the size of the welfare state. Rather, these scholars are specifically concerned with explaining the extent to which public welfare provisions interfere with market mechanisms by redistributing income and by reducing workers' dependence on specific employers, if not employment in general. As illustrated by Esping-Andersen's (1990) concept of "decommodification," the PRA invokes working-class mobilization to explain social policy outcomes that involve changes in class relations.

Focusing on industrial relations and a broad range of societal outcomes, Korpi's original (1978) formulation of the PRA emphasized the role of trade unions as the agents of working-class mobilization, suggesting that cross-national variation in unionization rates could effectively be treated as a proxy for the "balance of class power" (cf. also Stephens, 1979). In Korpi's AU :5 1983 book, entitled *The Democratic Class Struggle*, the mobilization of workers in the electoral arena, measured by voter turnout, assumed a more important role. More recently, the idea that different political parties represent different classes has become an increasingly prominent feature of the PRA literature (see, e.g., Korpi & Palme, 2003; also Huber & Stephens, 2001; Bradley, Huber, Moller, Nielsen, & Stephens, 2003).

Over time, Left parties seem to have displaced trade unions as the principal agents of working-class mobilization for PRA scholars. In our view, this is unfortunate, for the distinctive contribution of the PRA tradition is that it conceptualizes political power in terms of collective organization and behavior rather than simply vote choice. In a sense, we seek to "bring unions back in" and, at the same time, to problematize the PRA assumption that union members and union organizations invariably favor not only social protection but also redistribution.

There are actually two distinct assumptions in the PRA-inspired literature that we wish to examine critically. The first is the "interest homogeneity assumption," that is, the assumption that all (or most) potential and actual union members share a common set of fairly well-specified, policy-relevant interests. The second assumption, which Swenson (2002, p. 8) aptly refers to as the "equivalency premise," posits that unions in different countries represent essentially the same, more or less homogenous, constituency. Arguably, the second assumption is more problematic and also more important to the power-resources approach. PRA proponents might well

defend interest homogeneity as a simplifying assumption and concede that the interests of different categories of wage-earners do in fact diverge in important respects. If different union movements represent very different wage-earner constituencies, however, the idea that levels of unionization might be associated with particular policy outcomes becomes quite dubious.

In seeking to disaggregate "labor" and problematize its interests, we follow the lead of other scholars. Three prior strands of scholarship deserve to be noted. First, there is a long tradition in comparative economy that emphasizes sectoral conflicts of interest on both sides of the labor–capital divide and sectorally based cross-class alliances. With respect to organized labor, much of this tradition focuses on the distinction between unions organizing sheltered sectors and unions organizing trade-exposed sectors. More specifically, Garrett and Way (1999) focus on the distinctive interests of public-sector employees and present evidence suggesting that the effects of unionization on macro-economic outcomes related to wage restraint are conditional on the share of union members who work in the public sector.

A more recent strand of scholarship, closely linked to varieties of capitalism, argues that workers with specific skills have different preferences for social insurance than workers with general skills (e.g., Estevez-Abe et al., 2001; Iversen & Soskice, 2001). Following Garrett and Way's logic, this literature implies that the role of unions in the politics of social insurance will depend on the extent to which they organize different skill-based categories workers.

Finally, a number of scholars, most notably Rueda (2007), have brought to the fore potential or actual conflicts of interest between labor-market insiders and outsiders or, in other words, between workers who enjoy relatively secure employment conditions and workers in more precarious forms of employment (cf. also Mares, 2006). This literature typically posits that unions organize labor-market insiders. Indeed, union membership is itself part of the complex of characteristics that distinguish insiders from outsiders. Thus the insider-outsider literature does not bear directly on question of the extent and implications of variation in the socio-economic interests represented by unions, but it strongly suggests that unions are unlikely to promote forms of social spending that primarily benefit labor-market outsiders. According to Mares (2006), the willingness of unions to accommodate social spending growth by exercising wage restraint has diminished as the number of labor-market outsiders has grown.

Our contribution to this literature is to focus attention on relative income as a source of divergent policy preferences among wage-earners in general and union members in particular. We do so because we are specifically interested in the role that unions play in redistributive politics. As noted at

the outset, a number of recent empirical studies show that relative income is an important determinant of individual preferences for redistribution. While relative income seems particularly relevant to the politics of redistribution, skill specificity may well be the dominant source of divergent preferences with respect to the generosity of social insurance. As we see it, the value of the following analysis, and our larger project, does not depend on the claim that relative income is more important than other sources of divergent policy preferences among workers.

Assuming that the policies favored by unions reflect the objective interest of union members, holding other things equal, changes in the income composition of union membership should lead to changes in the policies favored by unions. As the share of low-income workers increases (decreases), union support for redistributive policies should increase (decrease). The precise impact of membership composition on unions' policy goals depends on the mechanism of preference aggregation within unions. In addition, its impact on actual redistributive policy outcomes obviously depends on the ability of unions to influence the policymaking process. Examining potential channels through which unions influence policy (e.g., voter mobilization, corporatist bargaining) is beyond the scope of this chapter, but it seems reasonable to assume that union objectives matter for policy outcomes as long as unions have some weight in policymaking. More specifically, we assume, as PRA scholars invariably do, that for any policy goal the ability of unions to influence policy outcomes never decreases as their membership increases.

The well-known Meltzer–Richard model of redistributive politics posits that individuals with incomes below the mean benefit from redistribution and that the preferred tax rate increases with distance to the mean (Meltzer & Richard 1981). Assuming that unions aggregate the preferences of their members by majority rule, the Meltzer–Richard framework would lead us to expect that unions will promote redistributive policies when (or to the extent that) the income of the median union member falls below the mean income. However, this formulation ignores the question of what redistributive policy would be in the absence of any unions. To the extent that government policy caters to the median voter in the absence of organized pressure groups, the question of how the income of the median union member compares to the income of the median voter becomes critical. If the income of the median union member is closer to the mean than the income of the median voter, unionization might translate into a lower rate of taxation (redistribution) than what the median voter prefers. Of course, it is also possible, indeed likely, that unionization offsets the influence of organized pressure groups whose median constituents are even better off relative to the median voter.

We recognize that majority voting may be a poor approximation of decision-making in national union movements. Nijhuis (2009) spells out the importance of organizational structure in a most cogent fashion, arguing that the aggregation of disparate interests depends crucially on whether high-wage and high-skill workers are organized by separate unions from low-wage and low-skill workers.[3] Empirically, Nijhuis demonstrates that craft-based unions representing high-wage workers resisted redistributive pension reforms in postwar Britain while industrial unions encompassing all workers embraced redistributive solutions to the problem old-age insecurity in the Netherlands. However, the distinction between craft or occupational unionism and industrial unionism alone does not seem adequate to capture cross-national variation in union attitudes toward redistribution, for the Nordic countries are characterized by separate white-collar unions as well as industrial blue-collar unions. Arguably, competition between blue-collar and white-collar has been an important component of labor egalitarianism in these countries. In particular, it is commonplace among students of solidaristic wage bargaining in the Nordic countries to argue that high-wage blue-collar workers were willing to accommodate relative wage gains for low-wage blue-collar workers so long as all blue-collar workers made gains relative to white-collar workers (see, e.g., Swenson, 1989).

The role of organizational structure is clearly a complicated matter. In our view, it makes sense to begin by exploring variation in the membership composition of national union movements and then inquire about whether and how organizational structures affect the significance of such variation. Again, we conceive the following analysis as a first step toward a better understanding of the role of unions play in the politics of redistribution.

Our working hypothesis is that the role that unions play in redistributive politics depends on the position of their members in the income distribution or, more precisely, that the association between unionization and redistribution is conditional on the percentage of union members who directly benefit from redistribution. For theoretical purposes, it is useful to distinguish between social protection (or insurance) and redistribution as distinctive dimensions of the activities in which modern welfare states engage, but these dimensions are closely linked to each other and often difficult to distinguish empirically. Insofar as the incidence of unemployment and other risks is correlated with income, social protection necessarily entails some redistribution of income. At least to some extent, redistribution can be seen as a by-product of insurance, as suggested by Moene and Wallerstein (2001) as well as Iversen and Soskice (2001). Put differently, redistribution may be conceived as a prize that high-wage workers with

specific skills must pay (and are willing to pay) to insure themselves against labor-market risks. In a related vein, high-wage public-sector employees may have employment-related reasons to support redistributive policies that do not benefit them directly.

It is also noteworthy that individual-level analyses pooling data across OECD countries and controlling for individual income consistently find that union membership is associated with support for redistribution (see, e.g., Pontusson & Kwon, 2006; Rueda & Pontusson, 2009). There are several ways to interpret this finding. One is that unionization makes low-wage workers more cognizant of their material interests, and another is that unions promote solidaristic norms among workers whose immediate material interests would not necessarily lead them to support redistribution. Yet a third interpretation, suggested by Checchi, Visser, and van de Werfhorst (2007), is that pro-redistribution attitudes lead people to join unions.

To adjudicate among these alternative arguments obviously lies beyond the scope of the this chapter. Suffice to say that we recognize that unions and their members may have material interests that lead them to support redistributive policies even if such policies do not conform to short-term income maximization by the median union member. We also recognize that unions and their members may be ideologically motivated to support redistribution. Still, we expect a higher percentage of union members drawn from the bottom half of the income distribution to be associated with stronger union commitment to redistribution.

DESCRIPTIVE ANALYSIS OF UNIONIZATION BY INCOME

The data presented in this section come from the ESS, a European-wide survey with nationally representative samples that has been carried out biannually since 2002. Asking respondents whether or not they are union members and also inquiring about their income, the ESS provides the information necessary to estimate various measures of unionization by income. In the 15 West European countries encompassed by the following analysis, the ESS fields equivalent questions and answer formats regarding respondents' income, which represents an important advantage relative to other international surveys, such as the International Social Survey Program (ISSP) or the World Values Survey. As Austria and Ireland participated in ESS 2006, but not ESS 2008, our figures for these countries are based on

2006 data. For the other 13 countries, our figures refer to 2008 (i.e., the most recent ESS round to be completed).[4] We use sampling weights in all calculations.

Table 1 reports our ESS-based estimates of aggregate union density, with union density defined as the percentage of union members in the dependent labor force (i.e., the total labor force minus the self-employed). As a check on the ESS data and our estimation procedure, the table also includes Visser's (2009) estimates of the percentage of union members in the employed labor force (i.e., the total labor force minus the unemployed as well as the self-employed). On the basis of administrative data, Visser's figures are commonly regarded as the best available estimates of union density. Although our measure of the dependent labor force includes the unemployed, we obtain estimates of union density that are very similar to Visser's. The most obvious discrepancy concerns Denmark, and this discrepancy surely cannot be explained entirely by definitional differences. It would appear that union members are significantly overrepresented in the Danish ESS sample. As Fig. 1 illustrates, however, Denmark is the only truly troublesome case from this point of view. In general, our estimates of

Table 1. Alternative Estimates of Aggregate Density.

	ESS Estimates	Visser Data
Denmark	86.8	67.6
Finland	76.5	67.5
Sweden	70.1	70.8
Norway	57.0	53.3
Belgium	53.9	51.9
Ireland	38.9	33.3
Austria	37.6	32.5
United Kingdom	26.7	27.1
Netherlands	23.4	18.9
Germany	18.8	19.1
Switzerland	16.4	18.3
Greece	12.6	24.0
Spain	12.2	14.3
France	10.5	7.7
Portugal	8.3	20.4

Note: ESS-based estimates refer to 2006 for Austria and Ireland, 2008 for the other countries. Except for Portugal, the Visser data refer to either 2006 or 2007; the Portuguese figure is for 2005.

Source: Source of Visser data: Visser (2009).

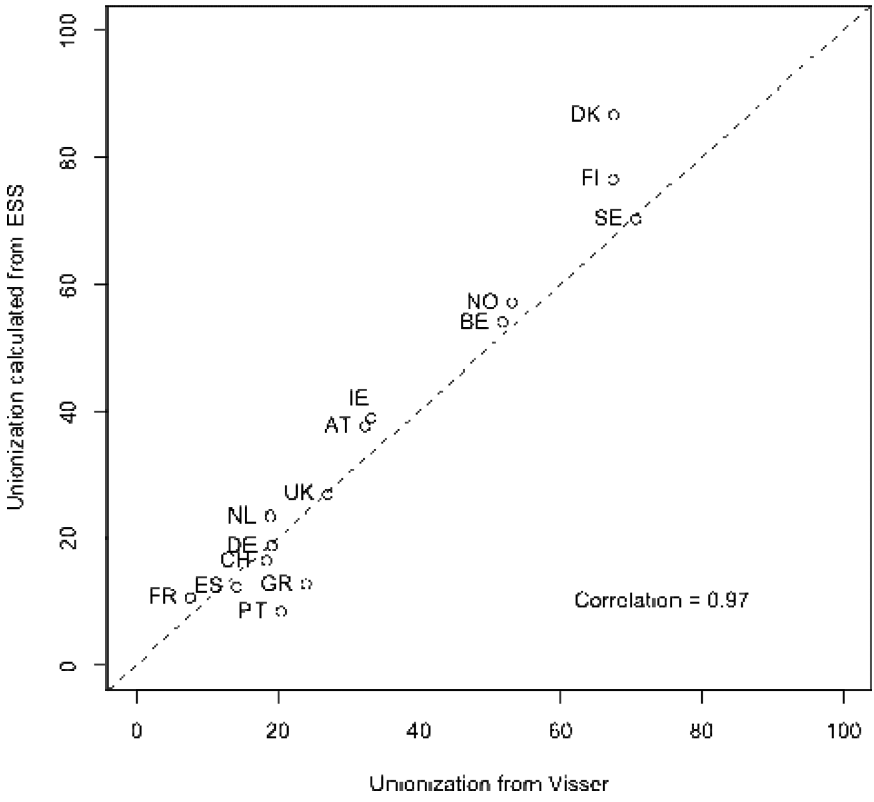

Fig. 1. Alternative Estimates of Union Density.

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aggregate union density are slightly higher than Visser's, but the countries line up in more or less the same way, and the correlation between the two measures is .97, with $p < .001$. (The dashed diagonal line in Fig. 1 is the line of perfect equality: if all observations were on this line, the two measures would be identical).

Turning now to unionization by income, the ESS income question asks respondents to place themselves into 1 of 10 country-specific income bands (corresponding to estimates of income deciles for the total population) that are displayed on a card. The question wording is as follows: "Using this card, please tell me which letter describes your household's total income, after tax and compulsory deductions, from all sources? If you don't know the exact figure, please give an estimate. Use the part of the card that you

know best: weekly, monthly or annual income." (In the survey questionnaire, the income categories are in national currencies, but the ESS reports the income bands converted into Euros).

We recode the income variable by assigning each category a monetary value equal to the midpoint of the category's boundaries, except for the top category, which is assigned the value of its upper boundary. Top-coding implies that the data do not allow us to get unbiased estimates of the mean income of any population of interest. However, the data allow us to estimate income percentiles such as the median. As the ESS income question explicitly refers to *household* income, we follow standard practice in the literature on income inequality (e.g., Atkinson, Rainwater, & Smeeding, 1995, pp. 18–21; Gottschalk & Smeeding, 2000, p. 272) by using the square root of the number of household members to adjust for household size. We then use a basic nonparametric estimator for weighted data to estimate income quintiles and union members in percent of the population in each income quintile or, alternatively, union density in the upper and lower halves of the income distribution. Both sets of results are presented in Table 2.

The dependent labor force remains the relevant population for our estimates of unionization by income. In other words, these estimates are based on dividing the dependent labor force, *not* the entire population, into five income quintiles or two halves. By fiat, unionization below the median income is here defined as weakly below the median (i.e., including the median) and unionization above the median is defined as strictly above the median income. Similarly, a given income quintile includes all respondents strictly above the lower threshold and weakly below the lower threshold.

Several data limitations deserve to be noted before looking at Table 2 (and subsequent tables). To begin with, it should again be noted that our measures of unionization by income pertain to *the distribution of disposable household income*. Even if top-coding were not a problem, the income concept used here is clearly inappropriate for any strict test of the proposition that unions compress the distribution of wages because the wage of the median union member is lower than the mean wage. Arguably, household income is more directly relevant to redistributive policy preferences. Still, there is an obvious endogeneity problem here to the extent that we invoke the position of individuals in the post-tax-and-transfer distribution of income to explain their preferences for taxes and transfers. Available survey data simply do not allow us to tackle this problem.

It should also be noted that nearly one-fifth of the income data in the ESS 2008 is missing due to nonresponse. Evidently, many respondents find it difficult to estimate their household income, and we cannot assume that

Table 2. Unionization by Income.

	Unionization by Quintile					Unionization Below and Above Median			
	Bottom	Second	Middle	Fourth	Top	Below	Above	Below–Above Ratio	% Members Below
Switzerland	15	19	17	15	16	17	16	1.06	51.4
Belgium	60	57	41	60	55	55	53	1.04	51.0
Finland	70	84	75	78	77	78	75	1.03	50.8
Sweden	60	76	72	69	74	70	70	0.99	49.8
Denmark	76	87	92	89	91	83	91	0.92	47.8
Norway	45	56	61	59	66	54	61	0.88	46.9
Spain	11	9	14	12	16	11	13	0.87	46.5
Netherlands	19	24	24	30	20	21	26	0.82	45.0
Austria	30	36	37	40	47	32	43	0.74	42.7
France	8	10	10	10	14	9	12	0.72	42.0
Ireland	24	36	52	45	38	33	45	0.72	41.9
Germany	12	20	17	24	24	15	23	0.68	40.6
United Kingdom	13	25	33	35	28	21	32	0.66	39.9
Greece	5	8	10	13	30	6	20	0.30	22.9
Portugal	3	3	4	11	21	3	14	0.20	16.8

Note: Unionization is the percentage of union members in the dependent labor force, which includes employees and the unemployed. Calculations are based on data from the 2006 ESS for Austria and Ireland, 2008 survey for all other countries.

missingness of income responses is entirely random. Of course, it is also possible that respondents who do answer the question misrepresent their income in some systematic fashion. That said, it is important to keep in mind that the survey respondents only need to be able to estimate their own income to provide a meaningful answer to the income question on which these estimates rely. The question does *not* require respondents to know anything about what the income distribution looks like or where they are located in the income distribution.

Finally, it is likely that low-wage workers, particularly immigrants, are underrepresented in the ESS national samples. If such "hard-to-sample" workers are more likely to be union members than other workers, this could be a serious source of (upward) bias for our estimates of unionization by income, but the supposition that unions thrive among hard-to-sample workers strikes us as rather dubious. In any case, we are not aware of any alternative data source that would allow us tackle this problem.

The left-hand panel of Table 2 presents our estimates of unionization by (household) income quintile. These figures convey a complicated picture with a lot of variation across countries, but one pattern in the data stands out: in all but two countries, the unionization rate in the bottom income quintile is lower than the unionization rate in all other income quintiles. The two exceptions to this generalization are Spain and Belgium. In Spain, unionization in the bottom income quintile narrowly exceeds unionization in the second quintile while in Belgium unionization in the bottom quintile is equal to unionization in the fourth quintile and higher than unionization in the other three quintiles.[5] Strikingly, Belgium is the only country in which unionization in the bottom quintile exceeds unionization in the top quintile. In many countries, workers in the top quintile of the income distribution are in fact much better organized than workers in the bottom quintile. In Germany and Britain, the unionization rate in the top quintile is twice as high as the unionization rate in the bottom quintile. Greece and Portugal represent truly extreme cases, in which unionization of the top quintile exceeds unionization of the bottom quintile by a factor greater than 6. Even in the Nordic countries, characterized by very high levels of unionization across the entire income distribution, we observe significant gaps in unionization between the top quintile and the bottom quintile, ranging between 7 and 21 percentage points (Finland and Norway respectively). We also observe big gaps for Austria (17 points) and Ireland (14 points).

According to these estimates, unionization in Belgium has two peaks, in the bottom and the fourth quintiles. Setting Belgium aside, unionization peaks in the second income quintile in three countries (Switzerland, Finland, and Sweden), and it peaks in the middle quintile in another two countries (Denmark and Ireland). In the remaining nine countries, unionization peaks in one of the top two quintiles: in the Netherlands, Germany, and the UK it peaks in the fourth quintile while in Norway, Spain, Austria, France, Greece, and Portugal it peaks in the fifth quintile.

The right-hand panel of Table 2 presents estimates of unionization in the lower and upper halves of the income distribution and two summary measures based on these estimates: first, the ratio of union density below the median income to union density above the median and, second, union members with household incomes below the median in percent of total union membership. Needless to say perhaps, the latter two measures stand in a strict mathematical relationship to each other. If unionization in the lower half of the income distribution is the same as unionization in the upper half, the densities ratio is 1 and the below-median share is 50%. Values higher than 1% or 50% mean that the lower half of the distribution

is more unionized than the upper half. Arguably, the share measure more effectively captures the basic intuition that the extent to which union movements mobilize advocate and mobilize in favor of redistributive policies is a function of the composition of their membership.

Although we ought to be wary of arbitrary cutoffs, it seems useful to summarize the data in the right-hand panel of Table 2 by identifying four groups of countries. To begin with, Switzerland, Belgium, Finland, and Sweden form a group distinguished by equal representation of the two halves of the income distribution within the union movement or a slight over-representation of the lower half. At the opposite end of the spectrum, Greece and Portugal stand out as extreme cases of under-representation of workers with incomes below the median within the union movement. The intermediary bands are less obvious, but the United Kingdom, Germany, Ireland, France, and Austria all have below-median shares between 40% and 43% while the Netherlands, Spain, Norway, and Denmark occupy the 45–48% range.

Table 3 presents two additional measures, underscoring the point that Western European union movements largely represent workers who are relatively well off. The first measure is the ratio of the income of the median union member to the mean income of all survey respondents in a particular country. The second measure is the ratio of the income of the median union member to the income of the median voter in each country. It is important to keep in mind that both of the populations with which union members are being compared in this table, the total population and the voting population, include the elderly and that poverty rates among the elderly remain higher than average poverty rates in most of these countries. It is also important to keep in mind that top-coding of the ESS income variable implies an (unknown) downward bias of our estimate of the mean income.

According to our estimates, the income of the median union household exceeds the mean household income in all but one of these countries (the exception being Austria). Given that the mean is sensitive to outliers, however, it seems quite likely that the mean household income is actually greater than the median income of union households in many of these countries. For theoretical as well as empirical reasons, comparing the income of the median union to the income of the median voter household is arguably more informative. Again, the basic intuition suggested by the Meltzer–Richard framework is that unions should prefer more (less) redistribution than the median voter if the median union income is below (above) the median voter income. As shown in Table 2, we find that the income of the median union household exceeds the income of the median

Table 3. Income of the Median Union Member Relative to the Mean Income and the Income of the Median Voter.

	Mean Income	Median Voter
Switzerland	1.02	1.00
Germany	1.05	1.06
France	1.08	1.09
Norway	1.10	1.09
Belgium	1.10	1.09
Sweden	1.08	1.11
Austria	0.94	1.11
Spain	1.06	1.14
Denmark	1.24	1.16
Netherlands	1.13	1.16
Finland	1.17	1.19
United Kingdom	1.22	1.26
Portugal	1.22	1.28
Ireland	1.12	1.29
Greece	1.35	1.37

Note: The income of the median union member is calculated for the dependent labor force. The mean income is calculated for the entire population. The voting population includes all respondents who say they voted in the last national election. Hence, those who chose not to vote and those who were not eligible to vote (e.g., due to lack of citizenship) are coded as nonvoters.

household of the voting population in fourteen out of our fifteen countries (with Switzerland as the exception).

Keeping in mind the aforementioned data limitations, we do not assert that West European unions primarily represent well-paid workers who are opposed to redistribution. Yet it seems clear that many union members in Western Europe are relatively well off.[6] As comparativists, we are first and foremost interested in the question of how cross-national variation in the composition of union members affects the policy orientation of unions. Regarding cross-national variation, the first thing to be noted is that union density below the median household income is very closely correlated with union density above the median household income in our data, with $r = .98$ and $p < .001$. (The correlation between aggregate union density and below-median density is a near-perfect .995). Countries that are distinguished by high levels of union density in the lower half of the income distribution are also distinguished by high levels of union density in the upper half of the income distribution. This is hardly surprising since the median income does not in any sense constitute a natural cutoff or boundary: there is no reason

why unions would choose to organize only workers below or above the median income. Indeed, it may well the case that unions improve the relative pay of their members and thereby move them into the upper half of the income distribution. Historically speaking, the very high levels of unionization among high-paid white-collar employees that we observe in the Nordic countries can at least in part be seen as a result the existence of separate white-collar unions and as a response to the success of strong, solidaristic blue-collar unions in improving the relative pay of their members, that is, as an effort to maintain the privileged position of white-collar workers (Kjellberg, 1983, pp. 128–139).

Fig. 2 plots the below-median share, that is, the percentage of union members with household incomes below the median household income, against aggregate union density. The correlation between these two variables is .56 ($p = .03$). As Fig. 2 illustrates, Greece and Portugal are quite exceptional in their combination of very low below-median shares and very low aggregate union density. We still observe a borderline-significant positive correlation between the below-median share and aggregate density if we drop these two cases ($r = .51$, $p = .07$), but it is apparent from Fig. 2 that countries with aggregate unionization rates below 30% encompass the entire range of variation in below-median shares. It is also apparent that the range of cross-national variation in aggregate union density (10–85%) is much greater than the range of variation in below-median shares (39–52% if we disregard Greece and Portugal).

As aggregate union density approaches 100%, the percentage of union members with incomes below the median will necessarily converge on 50%. It is tempting to speculate that early craft-based union movements were characterized by fairly low below-median shares, that the unionization of mass-production industries in the 1930s, 1940s, and 1950s was accompanied by a sharp increase of the below-median share, and that below-median shares fell as unions expanded into the upper half of the income distribution in the postwar era. However, Fig. 2 provides no indication of the hump-shaped relationship between low-income share and aggregate union density suggested by this speculation.

Probing our data a bit further, Table 4 reports unionization rates by a cross-tabulation of aggregate sectors – private manufacturing, private services, and public services – and income below or above the median household income of the dependent labor force.[7] In constructing this table, we wanted to find out whether the skew of unionization towards the upper half of the income distribution was a distinctive characteristic of one or another of these broadly defined sectors, in which case that sector's share of

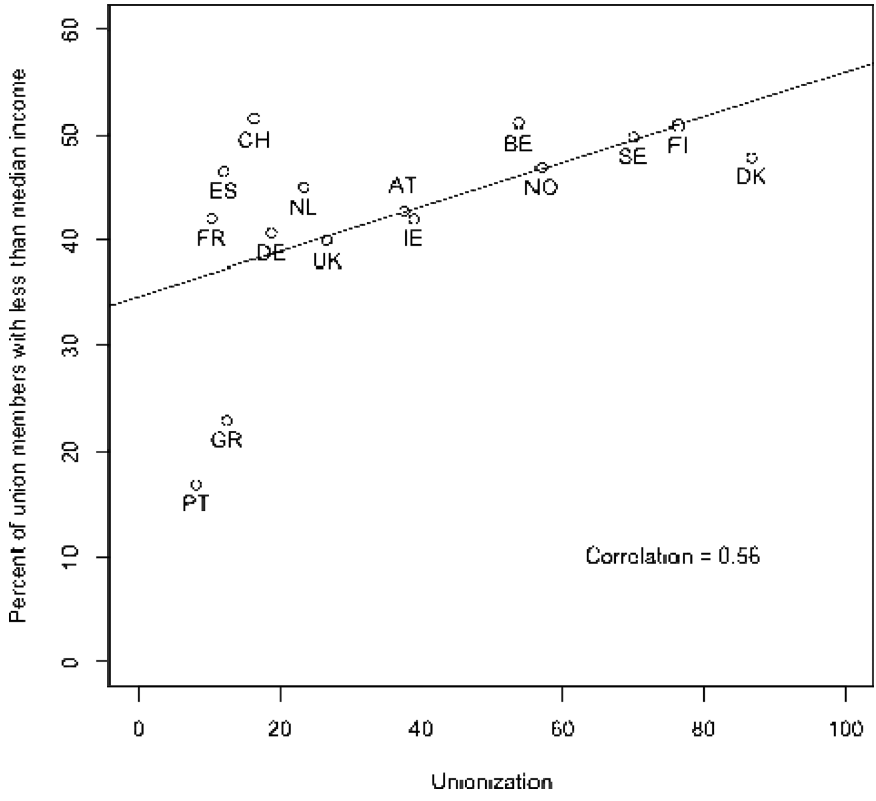

Fig. 2. Aggregate Union Density and the Percentage of Union Members with Incomes below the Median.

total employment might provide an explanation of cross-national variation in unionization by income. The most obvious pattern that emerges from Table 4 is that there are six countries in which lower-half unionization (weakly) exceeds upper-half unionization in the manufacturing sector (Finland, Belgium, Germany, Switzerland, Spain, and France) while there are only two countries in which lower-half unionization exceeds upper-half unionization in either private services (Belgium and Switzerland) or public services (Belgium and France). On the basis of this evidence, it is tempting to hypothesize that deindustrialization has been associated with an upward shift in the distribution of union members across the income distribution.

Table 4. Unionization by Income and Sector of Employment.

	Private Sector				Public Services	
	Manufacturing		Services			
	Below Median	Above Median	Below Median	Above Median	Below Median	Above Median
Denmark	79	92	80	86	85	96
Finland	86	78	65	67	86	88
Sweden	80	84	54	57	81	85
Norway	40	57	34	42	76	88
Belgium	69	63	59	48	53	48
United Kingdom	13	24	10	16	41	58
Netherlands	5	25	18	19	30	31
Germany	30	24	10	18	17	26
Switzerland	13	13	14	11	24	27
Greece	6	13	4	12	17	40
Spain	19	11	7	8	26	27
France	13	10	5	9	17	16
Portugal	5	12	0	7	10	32

Note: In this table, unionization is the percentage of union members in a subset of the dependent labor force. The private sector includes private firms and self-employed. The public sector includes central and local governments, state-owned enterprises and other public sector (such as health or education). Work in the manufacturing sector is coded according to the Statistical Classification of Economic Activities in the European Community (NACE Rev. 1.1). Calculations are based on data from the 2008 ESS.

Given the remarkably high rates of unionization among high-income public-sector employees, it is also tempting to hypothesize that this shift has been particularly pronounced when deindustrialization has been accompanied by an expansion of public services.

As we report in Table 5, cross-sectional correlations of the percentage of union members with incomes below the median income and the employment shares of aggregate economic sectors do not bear out either of the hypotheses suggested above. For the 13 countries included in this analysis, the correlation between the below-median share and the manufacturing sector's share of total employment is actually negative while the correlation between the below-median share and the public sector's share of total employment is positive. However, neither correlation is statistically significant. The correlation with manufacturing employment turns positive

Table 5. Correlations between Sectoral Employment Shares and the Percentage of Union Members with Incomes Below the Median.

Manufacturing	−.130
	(.672)
Manufacturing without PT	.287
	(.366)
Public services	.386
	(.192)
Private services	−.571**
	(.042)

Note: *p*-values (two-tailed tests) in parentheses. **$p < .05$.

but remains insignificant if we drop Portugal from the analysis. In the end, the only significant finding yielded by this exercise is that the employment share of private services is negatively associated with the share of union members with household incomes below the median household income. Not surprisingly, it would appear to be the case that low-wage workers account for a smaller share of total union membership in countries with many people employed in low-wage private services. Further analysis, using more disaggregated time-series data, is clearly necessary to better understand the reasons for variation over time and across countries in unionization by income.

DOES IT MATTER?

There are strong theoretical reasons for supposing that the distribution of union members across the income distribution matters to the goals that unions pursue in the political arena as well as the industrial arena. In this section, we begin to look for empirical evidence in support of this proposition. One very prominent strategy in the PRA literature is to look for statistical associations between various measures of "working-class mobilization" and policy outcomes such as total social spending, decommodification and redistribution (e.g., Huber & Stephens, 2001; Bradley et al., 2003). Our ability to implement this strategy is severely constrained by the fact that our data on unionization by income pertains to 15 countries at one point in time. Still, it seems desirable to proceed in a manner that is similar to the literature that is most relevant to our theoretical concerns,

especially since the most obvious alternative strategy (''qualitative quantitative analysis,'' based on Boolean logic) raises a series of methodological issues that we do not wish to address in this chapter.

In seeking to explore the political implications of unionization by income, we are constrained not only by the small size of our dataset but also by the fact that our measures of unionization by income are very closely correlated with each other. The bivariate correlation between unionization in the upper half of the income distribution with redistribution, measured as the percentage change in household income inequality brought about by taxes and transfers, turns out to be very close to the correlation between unionization in the lower half of the income distribution and redistribution (.656 compared to .67, with p-values below .01 in both cases). One possible inference from this observation is that unionization by income does not matter or, in other words, that unions promote redistribution no matter what segments of income distribution they organize. Alternatively – and, we think, more plausibly – upper-half unionization simply proxies for lower-half unionization. As noted above, the correlation between these variables is .98. Parsing between such closely-correlated variables typically requires a quite large sample.[8]

Our solution to the collinearity problem is to explore the effects of the below-median income share, that is, the percentage of union members with household incomes below the median income, in conjunction with the effects of aggregate union density. The correlation between these two variables is significant, but not nearly as strong as the correlations between different unionization rates ($r = .56$, $p = .03$). While the below-median share tells us something about the interests that unions represent, it does not tell us anything about their power and influence. Hence we would not expect the below-median share alone to matter to policy outcomes, but we would expect it to matter, at least to some policy outcomes, if and when we control for aggregate union density. Moreover, the theoretical perspective sketched above leads us to expect that the below-median share might condition the association between aggregate union density and certain policy outcomes.

In Tables 6 and 7, we present the results of estimating three descriptive OLS models with different policy outcomes as the dependent variable. For each outcome, the first model includes only one independent variable, aggregate union density. In the second model, we add the below-median share. We are interested not only in the direct effect of the below-median share but also in how its inclusion affects the association between aggregate density and various policy outcomes. Finally, the third model includes an interaction term between aggregate density and below-median share. Needless to say perhaps, the interaction models require an awful of such a small dataset, and

Table 6. Unions and Social Protection.

	Total Social Spending in % of GDP			Nonelderly Social Spending in % of GDP			Welfare Generosity (Scruggs Index)		
Unionization (U)	0.056	0.051	−0.570	0.072***	0.056**	−0.307	0.154**	0.170**	−0.058
	(0.159)	(0.288)	(0.230)	(.005)	(0.049)	(0.234)	(0.028)	(0.046)	(0.962)
% below (B)		0.022	−0.123		0.080	−0.005		−0.176	−0.342
		(0.855)	(0.443)		(0.245)	(0.953)		(0.692)	(0.733)
U*B			0.012			0.007			0.005
			(0.192)			(.163)			(0.851)
Intercept	21.813	21.016	28.632	13.071	10.202	14.650	23.510	31.123	39.090
	(0.000)	(0.001)	(0.002)	(0.000)	(0.002)	(0.003)	(0.000)	(0.133)	(0.416)
N	15	15	15	15	15	15	12	12	12
Adjusted *R*-squared	0.081	0.008	0.079	0.418	0.439	0.491	0.339	0.279	0.192

Notes: *p*-values (two-tailed tests) in parentheses. Missing data on welfare generosity: Greece, Portugal, and Spain. *p = .1, **p < .05, ***p = .01.

Table 7. Unions, Earnings Inequality, and Redistribution.

	Disposable Household Income Inequality (Gini Coefficient)			Gross Earnings Inequality (90–10 Ratio)			Redistribution (% Change in Gini Coefficient)		
Unionization (U)	−0.109***	−0.058*	0.025	−0.012**	−0.006	0.033	0.259***	0.321***	−1.306
	(0.006)	(0.083)	(0.941)	(.033)	(0.183)	(0.662)	(0.007)	(0.005)	(0.158)
% below (B)		−.242***	−0.222*		−0.083***	−0.055		−0.292	−0.671**
		(0.010)	(0.073)		(0.010)	(0.375)		(0.251)	(0.045)
U*B			−0.002			−.001			0.032*
			(0.802)			(0.605)			(0.085)
Intercept	33.036	41.763	40.742	3.381	7.057	5.709	26.442	36.967	56.921
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.071)	(0.000)	(0.002)	(0.001)
N	15	15	15	13	13	13	15	15	15
Adjusted *R*-squared	0.410	0.639	0.608	.418	0.613	0.583	0.402	0.422	0.525

Notes: *p*-values (two-tailed tests) in parentheses. Missing earnings data: Greece and Portugal. *p = .1, **p < .05, ***p = .01.

we should not expect results that satisfy conventional significance criteria with these models. We include them here primarily for heuristic purposes, that is, to illustrate the kind of analysis that would be needed to test the conditional hypothesis suggested by the preceding discussion.

As indicated earlier, we believe that it is possible and useful to distinguish between social protection (or insurance) and redistribution as distinctive dimensions of the activities in which modern welfare states engage. Our working hypothesis is that the distribution of union members across the income distribution matters specifically to union support for redistribution. By contrast, all workers arguably have a strong interest in social protection, regardless of their position in the income distribution. Indeed, it is common to argue that demand for insurance increases with income (e.g., Moene & Wallerstein, 2001). To the extent that unionization matters by itself, this should primarily hold, we think, for policy outcomes that are associated with social-insurance generosity.

The dependent variable of the first set of models presented in Table 6 is total social spending expressed in percent of GDP.[9] Consistent with core arguments of the PRA tradition, we do not observe any significant cross-national association between aggregate union density and overall size of the welfare state. Adding the below-median share does not alter this picture and the coefficient for the below-median share itself is very far from statistically significant. However, we do observe a significant association between aggregate union density and social spending that is not specifically targeted to the elderly and this association is robust to the inclusion of the below-median share, which itself does not have any significant association with non-elderly social spending.[10] The same holds for overall welfare-state generosity as measured by Scruggs (2006).[11]

Across the three interaction models included in Table 6, the sign of the coefficients for the interaction term indicate that the relationship between aggregate union density and spending is stronger when low-income workers account for a larger share of total union membership. However, none of these coefficients come close to conventional significance thresholds. In sum, Table 6 provides some evidence that aggregate unionization promotes nonelderly social spending and social-insurance generosity, but no clear evidence that unionization by income matters to these outcomes.

The dependent variables of the models presented in Table 7 pertain directly to the distribution of income. In the first set of models, the dependent variable is the Gini coefficient for disposable household income, that is., household income inequality after taxes and income transfers by the government.[12] The model with aggregate union density as the only independent variable strongly indicates that more unionized countries tend to have a more equal distribution of disposable household income. When we add the below-median share, unionization remains a significant variable, but the size of its coefficient is nearly halved, and the below-median share is

associated with less income inequality. In the third model, the below-median share alone remains significant. The sign of the interaction term is what we would expect, but the estimate of its coefficient is very imprecise.

Disposable income inequality can be broken down into two components: the distribution of market income and the redistributive impact of taxes and transfers. In the second set of models presented in Table 7, we look at the component of market income inequality to which unionization is most relevant, namely gross earnings inequality or, in other words, wage inequality.[13] The first model indicates that more unionized countries tend to have a more equal distribution of wages, but the association between unionization and wage inequality disappears once we control for the composition of union membership. Controlling for the level of unionization, we observe a strong negative association between the below-median share and wage inequality. In the third model, the interaction term is again correctly signed, but all the variables are imprecisely estimated.

The dependent variable in the final set of models included in Table 7 is the percentage change in Gini coefficients that we observe as we move from market income inequality (i.e., inequality of gross household incomes) to disposable income inequality (i.e., inequality of net household incomes).[14] In the existing comparative literature, this is the most commonly used measure of redistribution, capturing the effects of taxation as well as income transfers. Again, we observe a strong bivariate association between aggregate union density and redistribution. In this case, the effects of aggregate density hold up, indeed become stronger, when we introduce the below-median share into the model. Although not significant by any reasonable standards, the sign of the coefficient for the below-median share is actually negative in the second model. What is more interesting, however, is that we obtain an interaction that is relatively precisely estimated (significant at the 10% percent level) with redistribution as the dependent variable. These results imply that a one percentage-point increase of union density is associated with a .295 increase of redistribution if workers with incomes below the mean account for 50% of total union membership while the same increase of union density is associated with a .025 decline of redistribution (i.e., practically no effect) if workers with incomes below the mean account for 40% of total union membership.

The limitations of the preceding analysis must again be underlined. Given our very small sample, it is hardly necessary to point that the results presented in Tables 6 and 7 are not terribly robust. It is easy to render apparently significant results insignificant by deleting particular countries from the analysis. At best, the results in Tables 6 and 7 are suggestive,

indicating that the composition of union members is an important consideration if we want to understand the role of unions in the politics of redistribution and less important, perhaps not at all important, if we want to understand the role of unions in the politics of social protection.

FURTHER DISCUSSION

Although sample sizes are smaller and the income questions less comparable across countries than for the ESS, surveys conducted under the auspices of the ISSP over the period 1980–2008 might be used to generate reasonable accurate measures of unionization rates above and below the median income in a larger set of countries. The ISSP-based dataset that we are currently in the process of constructing will hopefully allows us to develop the kind of analysis that we sketched in the last section of this chapter. With a larger data, capturing time variation as well as (more) cross-sectional variation, we should be able to include a full battery of control variables and this in turn should allow us to estimate the effects of the main variables of theoretical interest more precisely (see Becher & Pontusson, 2010, for preliminary results).

In future work, we wish not only to establish more firmly that unionization by income matters to redistributive politics but also to explore, in a more systematic fashion, the causal mechanisms through which unionization by income matters to redistributive politics. We are fully cognizant of the limitations of the preceding discussion with respect to the question of causal mechanisms. A few observations must suffice to indicate how we propose to pursue this question in future work.

To begin with, it seems useful to distinguish two broad channels through which unions might influence policy outcomes: corporatist bargaining, on the one hand, and electoral politics, on the other. As noted by many comparative political economists, corporatist bargaining typically involves some form of "political exchange," whereby unions agree to exercise wage restraint in return for certain policy commitments by the government. In his contribution to this volume, Baccaro (Chapter 8) demonstrates that corporatist practices remain alive and well in Western Europe, but such practices are no longer associated with egalitarian labor-market outcomes or redistributive fiscal policies, at least not to the same extent as they were in the 1960s and 1970s. Similarly, Golden and Wallestein (this volume) report that unionization AU :6 predicts wage compression for the 1980s, but not for the 1990s. Arguably, this change in distributive implications of corporatist bargaining and

unionization very much has to do with the question of whose interests unions represent. As many observers have noted, technological change, increasing trade with low-wage countries and macro-economic conditions have weakened the bargaining position of unskilled relative to that of skilled workers over the last two decades or so. In addition, the preceding discussion suggests that deindustrialization – specifically, the growth of low-wage jobs in private services – might have led to an important shift in the composition of union members by income.

To explore changes in the composition of national union movements over the past 30 years, we clearly need to go beyond ESS and ISSP surveys and to draw on more country-specific survey evidence (such as British Workplace Surveys and Swedish Living Standards Surveys). Another obvious limitation of the preceding discussion that we wish to rectify in future research concerns "national union movements" as the unit of analysis. The core ideas sketched above lead us to expect that different unions in the same country will be more or less supportive of redistributive policies depending on what segments of the income distribution they organize.

Regarding electoral politics as a channel through which unions might influence policy outcomes, we propose to distinguish three potential mechanisms. First, it may be the case unions mobilize certain categories of citizens who otherwise do not participate in politics and thereby shift the terms of electoral competition. Suppose that unions primarily organize low-wage workers and that union members are more likely to vote than non-members with the same income. Following the logic of the Meltzer–Richard model, an increase in unionization would render the median poorer relative to the mean and, as a result, all parties should propose and implement more redistribution. A second possibility is that political mobilization by unions promotes Left parties and influences policy outcomes by increasing the incidence of Left participation in government. Yet a third possibility is that unions represent a pressure group with policy interests that diverge from those of the median voter and that pressure from unions induces Left parties to diverge from the median-voter platform if there is some electoral uncertainty. In this case, we would expect unionization to be associated with greater partisan differences, but not necessarily with more Left participation in government.

Our data on unionization by income obviously raises doubts about the argument that unionization promotes redistribution by increasing the gap between the income of the median voter and the mean income. It is important to note, however, that even unions that primarily organize workers above the median wage may have a "low-wage mobilization effect." After all, it is quite plausible that low-wage workers who are union members

are more likely to vote than low-wage workers who are not union members while high-wage workers who are union members are not significantly more likely to vote than high-wage workers who are not union members.

Returning to one of the main themes of the preceding discussion, it seems useful to distinguish between the politics of social protection and the politics of redistribution in exploring whether or not the political influence of unions operates through government partisanship. Restated with partisanship added to the equation, our working hypothesis is that unionization of relatively well-paid workers generates partisan consensus around high levels of social protection. By contrast, we hypothesize that the unionization of low-wage workers generates partisan conflict over redistribution.

NOTES

1. Blanchflower (2006) uses survey data to explore cross-national variation in the composition of union membership by sector, age, gender, and education, but does not consider unionization by income. Checchi et al. (2007) use survey data to estimate the effects of relative earnings positions on the probability of individuals being union members in seven West European countries. We shall return to latter analysis, which is obviously relevant to our concerns. Suffice it to note here that Checchi et al. do not present any comparative data on the compositional make-up of different union movements.

2. This does not mean that the balance of class power is the *only* determinant of welfare-state development: applying power resource theory in a multivariate framework, PRA scholars have been quite willing to incorporate causal arguments from other theoretical traditions (see, e.g., Huber & Stephens, 2001).

3. See Anderson and Lynch (2007) for a similar argument about organizational determinants of the policies that unions pursue and Baccoro (2010) for a "constructivist" account that relies less on organizational structure.

4. It should be noted that the ESS includes a number of East European countries. We leave the East European cases aside because of differences in the format of the ESS question about respondents' income and because we do not know enough the role of unions and the meaning of union membership in these cases. See Martin and Kaya (Chapter 5, this volume) on the distinctive dynamics of unionization under post-communism.

5. The curiously low estimate for the middle quintile in Belgium is not a typo nor a computational error, but it is very likely a statistical artifact that has to do with the discontinuous nature of the income data that we use. In general, we have greater confidence in the measures based on the median-income cutoff, that is, the right-hand panel of Table 2. Note that the latter are the measures that we use below to explore the political implications of unionization by income in the third section.

6. Pooling ISSP survey data from seven countries across the period 1985–2002, Checchi et al. (2007) report the results of estimating probit models of union membership with separate income measures for individuals above and below the median. As the probability of being a union member falls with the distance to the median income for both sets of individual, Checchi et al. (2007) conclude that "union membership is concentrated in the intermediate earnings groups." While their finding regarding the bottom half of the income distribution is entirely consistent with our data, their finding regarding the top half distribution is not. To determine the sources of this discrepancy would require a good deal of further analysis. Broadly speaking, Pinto and Beckfield's findings (Chapter 6, this volume) regarding the individual-level relationship between education and union membership appear to be consistent with our results.

7. The six categories in Table 4 are mutually exclusive and their shares of total employment sum to 100%. The figures for "private services" actually refer to all private-sector activities that do not fall under the heading of "manufacturing" while the figures for "public services" include the entire public sector. As the ESS of 2006 does not include any question about private-versus-public employment, Austria and Ireland drop out of this analysis. Pooling ESS surveys, Pinto and Beckfield's discussion of sectoral differences in unionization rates (Chapter 6, this volume) misses the crucial distinction between private and public services.

8. With our 15-country cross-section, a multiple regression model with redistribution as the dependent variable yields a positive coefficient for lower-half unionization and a negative coefficient for upper-half unionization, but both coefficients are smaller than their standard errors.

9. Our social spending data refer to 2005 (2003 for Portugal) and come from the OECD Social Expenditure Data Base (SOCX), available at www.oecd.org/els/social/expenditure.

10. Nonelderly social spending equals total social spending minus old-age spending, as defined by the OECD. Both spending items include spending on services as well as transfers.

11. Modeled on Esping-Andersen's index of decommodification, Scruggs' index takes into account net replacement rates and population coverage of old-age, unemployment and sick pay insurance. Data from Scruggs' Welfare State Entitlements Data Set (Version 1.2) are available at http://sp.uconn.edu/~scruggs/wp.htm.

12. The figures come from a new dataset put together by Fredrick Solt, available at http://dvn.iq.harvard.edu/dvn/dv/fsolt/faces/study/StudyPage.xhtml?studyId=36908. For most countries, they refer to 2007, otherwise to the most recent year available (1999 for Greece, 2000 for Austria, 2004 for Switzerland, and 2005 for Austria). See Solt (2009) on the methodology behind the dataset.

13. Our observations of wage inequality, measured by the ratio of earnings in the 90th percentile to earnings in the 10th percentile, come from the OECD database on relative earnings among full-time employees: www.oecd.org/document/63/0,3343,en_2649_33927_38939455_1_1_1_1,00.html. For all countries, we use the most recent figures available: 1993 for Belgium, 2002 for Norway and Spain, and 2004–2006 for the remaining 10 countries.

14. Again, the underlying data come from the Solt database (Note 12).

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