The evolution of wage structures in Portugal 1982-1992

Cabral Vieira, J.A.

Citation for published version (APA):
Contents

List of Figures xi
List of Tables xii

1 Introduction 1
1.1 Motivation for the study 1
1.2 Layout and an overview 3

2 A characterisation of the labour market and the educational system 5
2.1 Economic orientation: from intervention to liberalisation 5
2.2 Labour market indicators and structural aspects 6
  2.2.1 Population, employment and economic structure 6
  2.2.2 Economic performance: growth and unemployment 10
  2.2.3 Restrictive labour legislation but high wage flexibility 11
2.3 Industrial relations 13
  2.3.1 Social partners and collective bargaining 13
  2.3.2 The emergence of social concertation 19
  2.3.3 On the level of centralisation in the collective bargaining scheme 20
2.4 The educational and training systems 23
2.5 Summary 26

3 A first look at the wage structure 27
3.1 Introduction 27
3.2 Data and sample summary statistics 27
3.3 On the estimated wage functions 28
3.4 Education 29
  3.4.1 The rate of return to education 29
  3.4.2 Wage differentials by levels of education: the fanning-out 30
  3.4.3 Possible explanations for the fanning-out of wages 31
  3.4.4 Changes in the industrial structure of employment and demand for education 33
3.5 Labour market experience and tenure with the employer 38
3.6 Industry effects 40
  3.6.1 An overview of the literature 40
  3.6.2 Centralisation and inter-industry wage dispersion 44
3.6.3 Evidence from Portugal and a comparison with other countries
3.7 Bargaining regimes
3.8 Firm size, firm age and ownership
3.9 Regions and gender
3.10 What have we learned?
Appendix

4 Returns to education: a comparison of alternative estimators
4.1 Introduction
4.2 Overview of the literature
4.3 Educational attainment and changes in compulsory schooling
4.4 Estimation methods
4.5 Estimation results
4.6 Towards and interpretation
4.7 Conclusions
Appendix

5 Job-worker matching and wages
5.1 Introduction
5.2 A simple method
5.3 The determination of actual education and required education
5.4 A glance at the job-worker matching
5.5 Job-matching and the returns to education: estimation results
5.6 Comparative static analysis and international comparisons
5.6.1 A simple LSD approach
5.6.2 The Tinbergen model (1956)
5.7 Decomposing changes in wage inequality
5.8 Conclusions

6 Returns to education: a quantile regression approach
6.1 Introduction
6.2 The estimation method
6.3 Theoretical background
6.4 Including years of education in the regressors list
6.5 Including a spline in years of education
6.6 Job-worker matching and the returns to education
6.7 Conclusions 114
Appendix 115

7 Urban vs. rural return to human capital: a cook-book recipe for applying assignment models 123
7.1 Introduction 123
7.2 The model 124
7.3 Estimation methodology 130
7.4 Estimation results 134
7.5 Conclusions 136

8 Bargaining regimes and wages 141
8.1 Introduction 141
8.2 Collective bargaining wage-effect in some countries 143
  8.2.1 Estimated average wage mark-ups 144
  8.2.2 Differences in the rewards to individual and job characteristics 147
  8.2.3 Wage dispersion 148
8.3 Data and selected descriptive statistics by bargaining regime 148
8.4 The average wage-gap between bargaining regimes 153
8.5 Differences in the rewards to individual and job attributes 156
8.6 Decomposition of the wage differentials 163
8.7 Conclusions and remarks 166
Appendix 168

9 Final conclusions and remarks 173
9.1 Wage determinants 173
9.2 What has really happened to wage inequality? How can it be explained? 177
9.3 Which model? 180

Bibliography 181
Samenvatting (summary in Dutch) 193
Author Index 195
Subject Index 198