Search IDEAS

Advanced Search



IDEAS is a *RePEc* service hosted by the **Economic Research** Division of the Federal Reserve Bank of St. Louis

You can import bibliographic info in various formats into you bibliographic tool, or just into your word processor. See under "publisher info" on each abstract page.

**IDEAS** home

#### Browse for material

- Papers
- Articles
- Software
- Books
- Chapters
- Authors
- Institutions
- Data (FRED®)

#### **Find material**

- JEL Classification
- NEP reports
- Search
- Pub compilations
- Reading lists

#### More services

- New papers by email
- Author registration
- Rankings
- EconAcademics blog aggregator
- Plagiarism
- Services from the StL Fed

#### About RePEc

- RePEc home
- FAQ
- Blog
- Help!
- RePEc team
- Participating archives

#### Help RePEc and get material listed

- Volunteers
- Get papers listed
- Open a RePEc archive

PAPERS ARTICLES AUTHORS INSTITUTIONS DATA (FRED®)

# Less Income Inequality and More Growth – Are they Compatible? Part 7. The Drivers of Labour Earnings Inequality – An Analysis Based on Conditional and Unconditional Quantile Regressions

### **Author Info**

- Jean-Marc Fournier
- Isabell Koske

### Registered author(s):

- Jean-Marc Fournier
- Isabell Koske

### Abstract

Unconditional and conditional quantile regressions are used to explore the determinants of labour earnings at different parts of the distribution and, hence, the determinants of overall labour earnings

inequality. The analysis combines several household surveys to provide comparable estimates for 32 countries. The empirical work suggests that, in general, a rise in the share of workers with an upper-secondary or post-secondary non-tertiary degree, a rise in trade union membership, a rise in the share of public employment and a rise in the share of workers on permanent contracts are associated with a narrowing of the earnings distribution. By contrast, a shift in the sector composition of the economy is not found to have a large impact on overall earnings inequality. As for tertiary education, the impact remains ambiguous as there are several offsetting forces.

Moins d'inégalités de revenu et plus de croissance - Ces deux objectifs sont-ils compatibles? : Partie 7. Les facteurs des inégalités de revenu - analyse fondée sur des régressions quantiles conditionnelles et inconditionnelles On utilise les regressions quantiles conditionnelles et inconditionnelles pour etudier les determinants des revenus du travail le long de la distribution et, par voie de consequence, les determinants des inegalites de revenus du travail. Cette analyse regroupe plusieurs enquetes menees aupres des menages afin de produire des estimations comparables pour 32 pays. Les travaux econometriques suggerent qu.en general, l.augmentation de la part des travailleurs titulaires d.un diplome du deuxieme cycle de l.enseignement secondaire ou post-secondaire, non universitaire, la montee de l.adhesion syndicale, le gonflement de la part de l.emploi public et la hausse de la part des travailleurs sous contrat a duree indeterminee ont pour corollaire un resserrement de la repartition des revenus. En revanche, selon les conclusions de l.etude, l.evolution de la composition sectorielle de l.economie n.a pas d.impact important sur les inegalites globales de revenu. Pour ce qui est de l.enseignement superieur, l.impact n.est pas net car plusieurs effets jouent dans des directions opposees.

# **Download Info**

If you experience problems downloading a file, check if you have the proper application to view it first. In case of further problems read the IDEAS help page page Note that these files are **not** on the IDEAS site. Please be patient as the files

# **Contents:**

- Author info
- Abstract
- Bibliographic info
- Download info
- Related research
- References
- Citations
- Lists
- Statistics
- Corrections

may be large. File URL: http://dx.doi.org/10.1787/5k9h28s354hg-en Download Restriction: no download the selected file

# **Bibliographic Info**

Paper provided by OECD Publishing in its series OECD Economics Department Working Papers with number 930.

Download reference. The following formats are available: HTML (with abstract), plain text (with abstract), BibTeX, RIS (EndNote, RefMan, ProCite), ReDIF Length: Date of creation: 09 Jan 2012 Date of revision: Handle: RePEc:oec:ecoaaa:930-en

Contact details of provider: Postal: 2 rue Andre Pascal, 75775 Paris Cedex 16 Email: webmaster@oecd.orgwebmaster@oecd.org Web page: http://www.oecd.org More information through EDIRC

For corrections or technical questions regarding this item, or to correct its listing, contact: eco.contact@oecd.orgeco.contact@oecd.org ().

# Related research

Keywords: education; income inequality; quantile regression; labour income; union membership; public employment; temporary work contract; éducation; inégalité des revenus; régression quantile; contrats à durée déterminée; revenus du travail; adhésion syndicale; emploi public;

### Find related papers by JEL classification:

- C21 Mathematical and Quantitative Methods - Single Equation Models; Single Variables - - - Cross-Sectional Models; Spatial Models; Treatment Effect Models
- D31 Microeconomics - Distribution - Personal Income and Wealth Distribution
- I24 Health, Education, and Welfare - Education - Education and Inequality
- J41 Labor and Demographic Economics - Particular Labor Markets -Labor Contracts
- J45 Labor and Demographic Economics - Particular Labor Markets - -Public Sector Labor Markets
- J51 Labor and Demographic Economics - Labor-Management Relations, Trade Unions, and Collective Bargaining - - - Trade Unions: Objectives, Structure, and Effects

### This paper has been announced in the following NEP Reports:

- NEP-ALL-2012-01-25 (All new papers)
- NEP-LAB-2012-01-25 (Labour Economics)

### References

### **References listed on IDEAS**

Please report citation or reference errors to Jose.Barrueco@uv.esJose.Barrueco@uv.es, or , if you are the registered author of the cited work, log in to your RePEc Author Service profile, click on "citations" and make appropriate adjustments.:

- 1. Isabell Koske & Jean-Marc Fournier & Isabelle Wanner, 2012. "Less Income Inequality and More Growth - Are They Compatible? Part 2. The Distribution of Labour Income," OECD Economics Department Working Papers 925, OECD Publishina.
- José Ferreira Machado & José Mata, 1998. "Earning Functions in Portugal 1982-1994: Evidence From Quantile Regressions," Working Papers w199802, Banco de Portugal, Economics and Research Department.

Published as:

• José A. F. Machado & José Mata, 2001. "Earning functions in Portugal 1982-1994: Evidence from quantile regressions," Empirical Economics, Springer, vol. 26(1), pages 115-134.

3.	Budria, Santiago & Moro-Egido, Ana, 2004. "Education, Educational Mismatch, and Wage Inequality: Evidence for Spain," MPRA Paper 93, University Library of Munich, Germany.
	Dublished as
	<ul> <li>Published as:</li> <li>Budría, Santiago &amp; Moro-Egido, Ana I., 2008. "Education, educational mismatch, and wage inequality: Evidence for Spain," Economics of Education Review, Elsevier, vol. 27(3), pages 332-341, June.</li> </ul>
4.	Juan Prieto-Rodriguez & Carlos Pestana Barros & Jose Vieira, 2008. "What a quantile approach can tell us about returns to education in Europe," Education Economics, Taylor and Francis Journals, vol. 16(4), pages 391-410.
5.	Budria, Santiago & Telhado-Pereira, Pedro, 2005. "Educational Qualifications and Wage Inequality: Evidence for Europe," MPRA Paper 91, University Library of Munich, Germany.
	<ul> <li>Other version(s):</li> <li>Santiago Budría &amp; Pedro Telhado Pereira, 2005. "Educational Qualifications and Wage Inequality: Evidence for Europe," IZA Discussion Papers 1763, Institute for the Study of Labor (IZA).</li> </ul>
6.	David Card & Thomas Lemieux & W. Craig Riddell, 2004. " <b>Unions and Wage Inequality</b> ," Journal of Labor Research, Transaction Publishers, vol. 25(4), pages 519-562, October.
7.	Nicole Fortin & Thomas Lemieux & Sergio Firpo, 2010. "Decomposition Methods in Economics," NBER Working Papers 16045, National Bureau of Economic Research, Inc.
	<ul> <li>Published as:</li> <li>o Fortin, Nicole &amp; Lemieux, Thomas &amp; Firpo, Sergio, 2011. "Decomposition Methods in Economics," Handbook of Labor Economics, Elsevier.</li> </ul>
8.	Machin, Stephen, 1997. "The decline of labour market institutions and the rise in wage inequality in Britain," European Economic Review, Elsevier, vol. 41(3-5), pages 647-657, April.
9.	Thomas Liebig & Alfonso Sousa-Poza, 2004. "Migration, Self-Selection and Income Inequality: An International Analysis," Kyklos, Wiley Blackwell, vol. 57(1), pages 125-146, 02.
10.	Roger Koenker & Kevin F. Hallock, 2001. "Quantile Regression," Journal of Economic Perspectives, American Economic Association, vol. 15(4), pages 143-156, Fall.
	Published as:
	<ul> <li>Koenker,Roger, 2005. "Quantile Regression," Cambridge Books, Cambridge University Press, number 9780521608275, 3.</li> <li>Koenker,Roger, 2005. "Quantile Regression," Cambridge Books, Cambridge University Press, number 9780521845731, 3.</li> </ul>
11.	Angel López-Nicolás & Jaume García & Pedro J. Hernández, 2001. "How wide is the gap? An investigation of gender wage differences using quantile regression,"
	Empirical Economics, Springer, vol. 26(1), pages 149-167.
	<ul> <li>Other version(s):         <ul> <li>Jaume Garcia &amp; Pedro J. Hernández &amp; Ángel López Nicolás, 1998. "How wide is the gap? An investigation of gender wage differences using quantile regression," Economics Working Papers 287, Department of Economics and Business, Universitat Pompeu Fabra.</li> </ul> </li> </ul>
12.	Joop Hartog & Pedro T. Pereira & José A.C. Vieira, 1999. "Changing Returns to Education in Portugal during the 1980s and Early 1990s: OLS and quantile regression estimators," Tinbergen Institute Discussion Papers 99-002/3, Tinbergen Institute.
13.	Gosling, Amanda & Machin, Stephen, 1995. " <b>Trade Unions and the Dispersion of</b> <b>Earnings in British Establishments, 1980-90</b> ," Oxford Bulletin of Economics and Statistics, Department of Economics, University of Oxford, vol. 57(2), pages 167-84, May.
	<ul> <li>Other version(s):</li> <li>Amanda Gosling &amp; Stephen Machin, 1994. "Trade Unions and the Dispersion of Earnings in British Establishments, 1980-90," NBER Working Papers 4732, National Bureau of Economic Research, Inc.</li> </ul>
14.	Sergio Firpo & Nicole M. Fortin & Thomas Lemieux, 2007. "Unconditional Quantile Regressions," NBER Technical Working Papers 0339, National Bureau of Economic Research, Inc.
	<ul> <li>Published as:</li> <li>Sergio Firpo &amp; Nicole M. Fortin &amp; Thomas Lemieux, 2009. "Unconditional Quantile Regressions," Econometrica, Econometric Society, vol. 77(3), pages 953-973, 05.</li> </ul>
	<ul> <li>Other version(s):</li> <li>SErgio Firpo &amp; Nicole M. Fortin &amp; Thomas Lemieux, 2006. "Unconditional Top of pag Quantile Regressions," Textos para discussão 533, Department of Economics PUC-Rio (Brazil).</li> </ul>

- 15. Sébastien Jean & Orsetta Causa & Miguel Jimenez & Isabelle Wanner, 2010. "Migration and labour market outcomes in OECD countries," OECD Journal: Economic Studies, OECD Publishing, vol. 2010(1), pages 1.
- 16. Jacob A. Mincer, 1974. "Schooling, Experience, and Earnings," NBER Books, National Bureau of Economic Research, Inc, number minc74-1.
- 17. Knight, J B & Sabot, R H, 1983. "Educational Expansion and the Kuznets Effect," American Economic Review, American Economic Association, vol. 73(5), pages 1132-36, December.

Full references (including those not matched with items on IDEAS)

### Citations

Citations are extracted by the CitEc Project, subscribe to its RSS feed for this item.

### Cited by:

- 1. Peter Hoeller & Isabelle Journard & Mauro Pisu & Debbie Bloch, 2012. "Less Income Inequality and More Growth - Are They Compatible? Part 1. Mapping Income Inequality Across the OECD," OECD Economics Department Working Papers 924, OECD Publishing.
- 2. Isabell Koske & Jean-Marc Fournier & Isabelle Wanner, 2012. "Less Income Inequality and More Growth - Are They Compatible? Part 2. The Distribution of Labour Income," OECD Economics Department Working Papers 925, OECD Publishing.

### Lists

This item is not listed on Wikipedia, on a reading list or among the top items on IDEAS.

# **Statistics**

Access and download statistics

# Corrections

When requesting a correction, please mention this item's handle: RePEc:oec:ecoaaa:930-en

For technical questions regarding this item, or to correct its authors, title, abstract, bibliographic or download information, contact: eco.contact@oecd.orgeco.contact@oecd.org ().

If you have authored this item and are not yet registered with RePEc, we encourage you to do it here. This allows to link your profile to this item. It also allows you to accept potential citations to this item that we are uncertain about.

If references are entirely missing, you can add them using this form.

If the full references list an item that is present in RePEc, but the system did not link to it, you can help with this form.

If you know of missing items citing this one, you can help us creating those links by adding the relevant references in the same way as above, for each refering item. If you are a registered author of this item, you may also want to check the "citations" tab in your profile, as there may be some citations waiting for confirmation.

Please note that corrections may take a couple of weeks to filter through the various RePEc services.

This information is provided to you by IDEAS at the Economic Research Department of the Federal Reserve Bank of St. Louis using RePEc data.

Privacy Legal

Top of page