Index

age, attitude to wages and 56–7, 75, 97, 121, 123–4
Akerlof, G. 12, 15, 26–7, 39, 45
attitudes to wage inequality 89, 91, 103–4, 108, 135
attitudinal survey results 34
Australia
attitude to wage inequality 3–4, 50–55, 58, 60–63, 65, 67–8
economic, demographic, political and class determinants 76, 83, 98–9
ratio of high- to low-status occupations 72, 79, 85–7, 95, 102, 105–7
changes in attitude to wage inequality 90–91, 94, 103
economic, democratic, political and class determinants 98–100
low- and high-status occupations 95, 102
earnings inequality, Liberal party and 82
support for minimum wage controls 4, 30, 110–11, 116, 125, 136
Australian Council of Trade Unions (ACTU) 111
beliefs
cultural 34, 132–3, 136
skill differentials 4, 107–8, 131, 133
Bicchieri, C. 22, 43
Binmore, K. 21, 24, 34
binomial probit model 119–20, 122
Boulding, K. 12, 110
Bowles, S. 8, 13
British building industry, skill differentials 38
Brough, I. 15–17
Bulgaria
economic, demographic, political and class determinants 77
low- and high-status occupations 72, 78–9, 83, 85–6
Canada
economic, demographic, political and class determinants 76, 83
low- and high-status occupations 72, 78–9
Casson, M. 13, 26, 112
changes in attitudes to inequality 96–100, 135
attitudes among elite and ordinary workers 104–6
changing role of demographic, political, economic and class factors 103–4
international comparison of changes in 106–7, 107
legitimate and perceived levels 100–103
changes in earnings inequality 91–2
data and approach 92–3
overview of attitudes 94–6
class 57, 75, 96–7
clerical occupations 75, 97
community attitudes
inter-temporal perspective 134
legitimate skill-based differentials 63
regulation of minimum wage 111
skill-based wage differentials 50, 133
survey data 132
wage inequality and 3, 66, 68, 88, 90, 107
conflict, social norms and 28–9, 31, 35
cultural effects 2, 5–6, 32–4, 130
cultural environment 7, 22, 24, 130–31
cultural institutions 22
cultural phenomena, self-interest and 4
culture
complex and multifaceted concept 4
costitutive effects of 6, 7–10, 132, 137
definitions 1, 17–18, 32, 130
economic behaviour and 6
economic environments and 2, 4–5, 108, 135
effects 3, 132
existence and effects of 36
human action and 5
instrumental reasoning and 6
literature on economic analysis 20
meaning 2, 20, 130
not perfectly fluid 135
regulatory effects of 6, 10–13, 20, 34, 131
self-interested action 14, 17
theoretical and empirical analysis 2, 136
Czechoslovakia
wage inequalities 65, 68–9, 82–3
attitudes to 3, 50–52, 54–5, 59–60, 62
economic, demographic, political and class determinants 77–8
ratio of high- to low-status pay 72, 79–80, 85–6
Dawes, R. 22, 33–4
Di Maggio, P. 5–6, 34
‘difference principle’ 12, 110–11
Drago, R. 12, 22, 26
earnings inequality,
data and approach 68–9
inequality scales 69–70
issues associated with measurement of attitudes 70–71, 92
measurement of attitudes to 69
increased faster than community desired 101
international differences 66–8, 133
international differences in attitudes 65, 71–4, 108
class factors 83
elite and ordinary workers 84–6, 104
international comparison 86–7
legitimate and perceived levels 74–81
other economic factors 82–3
political factors 82
role of demographic factors 81–2
international and inter-temporal differences 49, 132
substantial international differences in attitudes 87
East Germany
wage inequality 65, 67–9, 72–3, 77–8
attitudes to 3, 50–52, 54–5, 59–60, 62
ratio of high- to low-status pay 79, 83, 85–6
economic analysis of culture, literature of 20
economic restructuring, shift in community perceptions 107, 135
education, attitude to wage inequality 56–7, 75, 96–7, 103–4
efficiency wage models 47
regulatory effects of culture 3
role of social norms in wage determination 39–40
workers’ concerns for fair wages 30, 36–7, 39, 132
Elster, J. 13, 17, 31
employers 57, 75, 97
ethical preferences, definition 29
Evans, M. 11, 70–71, 84
evolution of social norms, individual
behaviour and 25
executive type, inequality of earnings
and 84–5
exogenous preferences, economic
welfare and 8
fairness judgments 26, 34, 37–40,
42–4, 48–50, 62–4, 132
Fehr, E. 37–43, 45–6, 49
females, attitudes to pay inequality
48, 82, 103, 124, 128
former Communist countries 54, 60,
87, 134
free riding behaviour 13, 17, 33–4
Freeman, R. 67, 71
game-theoretic framework, social
norms and coordination
problems 22–3
gender, attitude to minimum wages
and 116, 118, 121, 123–4, 128
Genoese trading society 9–10
George, D. 8–9
gift-giving, norms of reciprocity and
12, 45, 131
globalization 34, 48–9, 65, 88, 90
Golden, L. 7–8
Great Britain
attitude to wage inequality 3–4,
50–52, 54–5, 58, 60–63, 65, 67–9, 96
economic, demographic,
political and class
determinants 76
low- and high-status occupations
72, 78–81, 85–6
changes in attitude to wage
inequality 90–91, 93–4
economic, demographic,
political and class
determinants 98–9
low- and high-status
occupations 95–6, 102,
105–7
industrial relations 15
wage inequality, Conservative
Party and 82
‘green-field’ establishments, wage
setting and 27
Harvester Judgment (1907) 111
high-status occupations 70–71, 73,
93–5
humans 17–18, 22, 27–8, 34–5,
131–2
Hungary
attitude to wage inequality 3–4,
50–56, 58, 60–63, 65, 67–9
economic, demographic, political
and class determinants 77–8
low- and high-status occupations
72, 79, 82, 85–6
changes in attitude to wage
inequality 90–94, 135
changes in attitudes to wage
inequality, low- and high-
status occupations 94–5,
101–2, 105–7
changes in attitudes wage to
inequality, economic,
demographic, political and
class determinants 98–101
hunter-gatherer groups, fair division
and 20–21, 35, 131
Hyman, R. 15–17
income 56, 57, 75, 97, 121, 123
incumbent workers, ‘insider power’
40
individuals
behaviour at variance with wage
fairness and 42
boundedly rational and precedents
24, 43
conflict because of alternatives 29,
35
cconformity with norms and 22, 35
cultural environment and 130
fairness of wages and 37, 50, 88
motivated by social norms for more than gain 25, 27–8
norm-guided actions and 29, 132
preferences are exogenous 9
self interest and 25
strong attitudes to fair wages 63
industry-based training scheme 13
instrumental reasoning, human
behaviour and 17–18
International Social Science Survey Programs see ISSSP
International Survey of Economic Attitudes see ISEA
ISEA 4, 111, 115–17, 126
ISSSP 3–4, 32, 34, 36, 66, 115
data on attitudes to skill
differentials 63
data from (1992) 50–51, 68, 87, 134
inequality module (1987 and 1992) 52–3, 61, 91–2, 107, 133
information provided by 56
legitimate annual income for range
of occupations 69, 74
life-cycle aspects of earnings 71
questions about income of factory
work 52
questions that paralleled legitimate
income questions 53
Italy
attitude to wage inequality 3,
wage inequality
economic, demographic,
political and class
determinants 59–60, 76
ratio of high- to low-status
occupations 72, 79, 84–5, 86–7
Jackson, W. 1, 17
Jennings, A. 1, 8, 14, 17
justice, considerations by men and
women 56
Kahneman, D. 11, 16, 30, 32–4, 43
Kantian social norms 29
Kelley, J. 11, 70–71, 84
Kirchsteiger, G. 37, 39–43, 45–6, 49
Knetch, J. 1, 11, 16, 30, 32–4, 43
labour economics, neoclassical
model 2
labour market, culture and economic
behaviour 1, 3, 5–7, 10, 27, 39, 137
legitimate earnings questions, scales
of 69–70
legitimate skill-based wage
differences 49, 53–6, 61–3, 132
level of supervision, level of
productivity 12–13
longer working hours, individual
welfare and 9
low-status occupations 69, 71, 73,
93–5
Maghribi trading society 9
males, attitudes to pay inequality 48,
57, 75, 82, 97, 103, 124, 128
marginal utility of effort, fairness and
45
marginal utility of income, constant
44
Margolis, H. 22, 28
market clearing, pay structure and
40–41, 49, 132
material environment, influence on
evolution of culture 17
'maximin' principle 126
Mayhew, A. 1, 18
'meta preferences', internal conflicts
and 29
migrants 8, 116, 118, 121, 123–4,
129
minimum wage, 'common humanity'
and 110
minimum wage controls 115–20,
120–25, 130, 137
multinomial probit model 117
multiple preference systems 28, 35,
132
multiple-utility models 28–9
national borders, real economic
differences and 90
nationality, individuals’ socio-political orientation 34
natural or subsistence wage rate 30
neoclassical economics 2, 5, 130
culture and 7
deny reality of social norms 14
effect of liberalization and globalization 65
maximization of individual interest 9–10
profit-based incentive to reduce wages 41
regulatory effects of culture 10
social norms and 16, 18, 131
New Zealand
economic, demographic, political and class determinants 76, 78, 83
ratio of high- to low-status occupations 72, 79, 85–7
new-institutionalism 14
norm-guided actions, market outcomes 29–30, 35, 132
norm-guided behaviour 2, 22, 30, 32, 132
norms of cooperation 10, 13, 17, 20, 22, 24, 33
norms of distribution 10–11
norms of equality 3, 11, 20–21, 35
earnings dispersion and 17
fairness of wages and 37, 131
influence pattern of wage changes 135–6
wage structure and 90
norms of inequality, endogenous 88
norms of need 20–21
identification of individual entitlements and 127, 131
minimum wage and 11–12, 110–11
regulation of wage rates and 127
theoretical background 111–14
testing for existence of 114–15
norms of reciprocity 10, 12, 22, 24, 29, 33, 131
North American countries, skill differentials and 54
Norway
attitude to wage inequality 3, 50–52, 54–5, 59–60, 62, 65, 67–9, 78–81
economic, demographic, political and class determinants 76
education and 83
high- to low-status occupations 72, 85–6
occupational status, minimum wage controls and 124
Ogloblin, C. 65, 67
old-institutionalists 1–2, 8
ordered probit regression 117, 120, 122–3
orthodox economics, culture and 8
pay inequality (1992) 65
international differences in attitudes 66–8
performance and efficiency, norms of cooperation and 13
Piore, M. 8, 39, 42
Poland
attitude to wage inequality 3–4, 50–52, 54–5, 58, 60, 62–3, 65, 67–9
economic, demographic, political and class determinants 77–8, 82, 98–9
ratio of high- to low-status occupations 72, 79, 85–6, 105–7
changes in attitude to wage inequality 90–91, 93–4, 135
economic, demographic, political and class determinants 98, 100–101
low- and high-status occupations 95, 101–2, 105–7
political party, attitude to wage inequality 57, 75, 97, 123, 128
principle of ‘disalienation’ 12, 110
Index

Sugden, R. 17, 22–4, 28–9
supervisors 57, 75, 97
tax regimes 64, 70
Thaler, R. 11, 22, 28, 30, 32–4, 43
theoretical approaches to analysis of
culture 21
norm-guided behaviour and actual
market outcomes 29–31
origins of social norms 21–4
social norms and individual
economic behaviour 25–9
trade unions, annual wage changes
and 111
transitional economies,
attitude to wage inequality in 3,
65, 73, 78–83, 87
changes in attitude to wage
inequality 91, 94, 107, 135
elite executive and earnings
inequality 85–6
two-player game, payoffs to each of
the players 26
unemployed people, minimum wage
and 116, 118, 121, 123, 129
unemployment 12, 30, 32–3, 39–40,
49, 64
union members, minimum wages and
13, 118, 121, 123, 125, 128
union wage negotiators, reference
level norms and 15
United Kingdom see Great Britain
United States
attitude to wage inequality 3–4,
50–55, 58, 60–63, 65, 67–9
economic, demographic,
political and class
determinants 76, 98–9
high- and low-status
occupations 72–3, 76,
78–81, 85–7, 101
changes in attitude to wage
inequality 90–91, 93–4, 100,
103–4
economic, demographic,
political and class
determinants 98–101
ratio of high- to low-status 95,
101–7
dissatisfaction with inequality
rates 88, 134
earnings inequality, Republican
Party and 82
unskilled workers 57
contracting out of 49, 136
minimum wage and 118, 121, 123,
129
reason wage does not fall 41–2
wages 46
utility function, specification 44, 131
variables 57–9, 75–7, 97–9, 117–18,
121, 123, 128–9
Vercernik, J. 65, 67
wage differences, incumbent workers
and new entrants 40
wage relationship, fair because of
past practice 43
wage relativities
changes symmetrical 136
demand shift and 41
determination of 46–8
link with fairness judgments 39
optimal skilled-based 47
particular wage rates and 45
workers’ perceptions of fairness 3,
48–9
workers in same firm 136
wage schemes, material and
economic payoffs and 113
wage structures 40, 48, 65, 88, 109,
112, 133
wages 3, 12, 30, 32–3, 42, 64, 132,
see also skill-based wage
differentials
Waller, W. 1, 8, 14, 17
West Germany 3–4
attitude to wage inequality 50–52,
54–5, 58, 60–63, 65, 67–9
economic, demographic,
political and class
determinants 76
low- and high-status
occupations 72, 79, 84–6
changes in attitude to wage inequality 90–91, 93–4, 100, 103–4
economic, demographic, political and class determinants 98–101
low- and high-status occupations 95, 101–7
Western industrialized countries attitude to wage inequality 3, 65, 78–83, 100, 134
change in attitude to wage inequality 60, 100–101
community and differential 55
elite executives and earnings inequality 85–6, 104
ratio of high- to low-status pay and 73, 87, 100–101, 107
women’s participation in paid workforce 10, 27, 48
workers, do not take advantage of strength 16
workers’ effort and wage levels 39–40, 43–5, 64, 132
Young, P. 22–3, 43