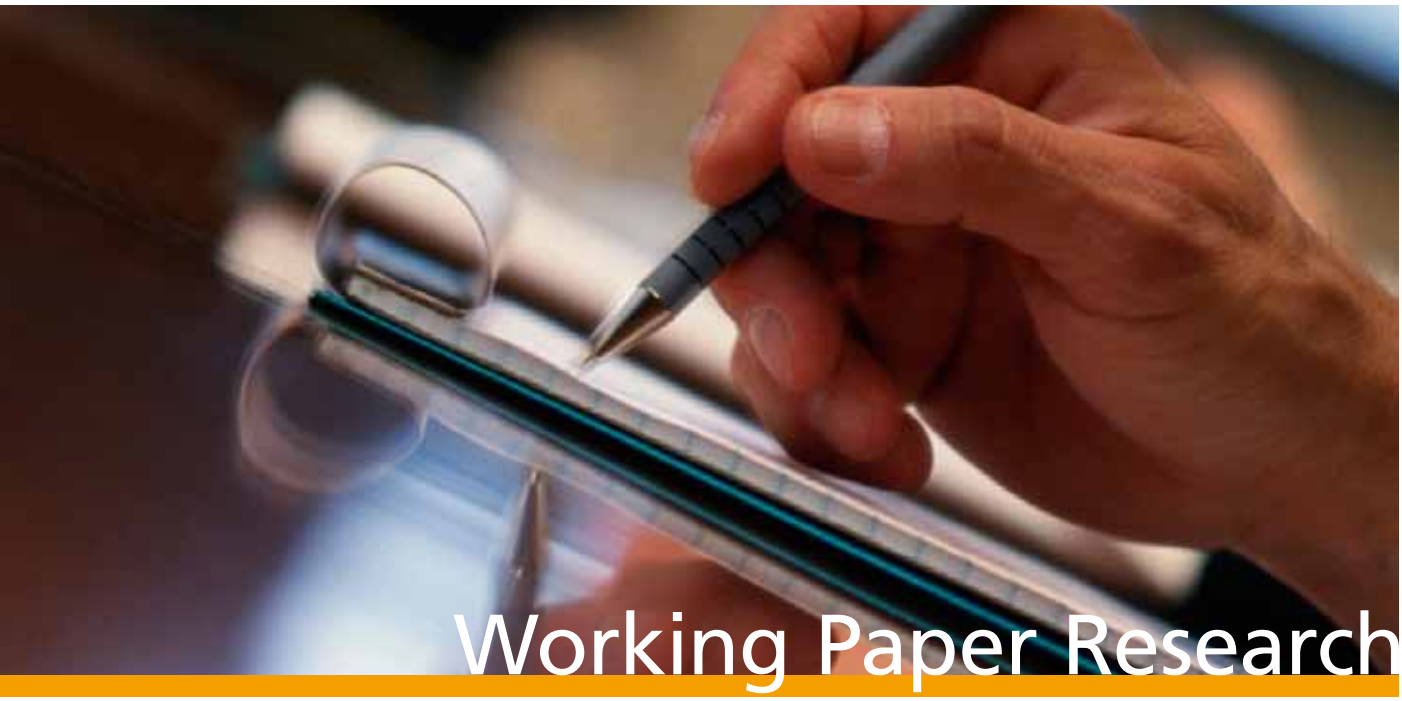
Inter-industry wage differentials : How much does rent sharing matter ?



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Abstract

This paper investigates inter-industry wage differentials in Belgium, taking advantage of access to a unique matched employer-employee data set covering all the years from 1999 to 2005. Findings show the existence of large wage differentials among workers with the same observed characteristics and working conditions, employed in different sectors. These differentials are persistent and no particular downward or upward trend is observed. Further results indicate that *ceteris paribus*, workers earn significantly higher wages when employed in more profitable firms. The time dimension of our matched employer-employee data allows us to instrument firms' profitability by its lagged value. The instrumented elasticity between wages and profits is found to be quite stable over time and varies between 0.034 and 0.043. It follows that Lester's range of pay due to rent sharing fluctuates between about 24 and 37 percent of the mean wage. This rent-sharing phenomenon accounts for a large fraction of the industry wage differentials. We find indeed that the magnitude, dispersion and significance of industry wage differentials decreases sharply when controlling for profits.

Key Words: Industry wage differentials, Rent-sharing, Matched employer-employee data.

JEL Classification: D31, J31, J41.

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1. Introduction

Since the work by Mincer (1974), a wide literature on wage adjustments has developed examining both the returns to workers' characteristics (education, tenure, etc.) and relative wages or wage differentials among industries and occupations. The empirical debate about the causes of earnings inequalities was reopened at the end of the 1980s by an article by Krueger and Summers (1988). They showed that wage disparities persisted between agents with identical observed individual characteristics and working conditions, employed in different sectors. Since then, similar results have been obtained for many industrialised countries (Araï et al., 1996; Ferro-Luzzi, 1994; Hartog et al., 1997, 2000; Lucifora, 1993; Plasman et al., 2006; Vaïniomaki and Laaksonen, 1995). Accordingly, the existence of sectoral effects on workers' wages has become an accepted fact in the economic literature. The existence of inter-industry wage differentials in Belgium, for both male and female workers, has in the past been highlighted by Rycx (2002) and Rycx and Tojerow (2002). Using cross-sectional data for 1995, the latter show that their structure is comparable with that observed in the other industrialised countries and that they result in part from the characteristics of the employers in each sector, findings which were recently confirmed in Du Caju et al. (2008), Plasman et al. (2006) and Rycx et al. (2008).

Yet, the reason for the existence of inter-industry wage differentials remains a complex and unresolved puzzle. Indeed, the role of unmeasured abilities in explaining inter-industry wage differentials is still unsettled. To put it differently, there is no consensus on whether workers with better unmeasured abilities are over-represented in high-wage sectors (Abowd et al., 1999; Björklund et al., 2007; Carruth et al., 2004; Gibbons and Katz, 1992; Goux and Maurin, 1999; Martins, 2004b). Moreover, while studies on industry wage premia offer some evidence against the perfectly competitive model, they hardly allow to discriminate among alternative models supporting the existence of an effect of the employers' characteristics on wages (Benito, 2000; Krueger and Summers, 1988; Lindbeck and Snower, 1990; Thaler, 1989; Walsh, 1999). In particular, little is known on the contribution of rent-sharing to the observed industry wage differentials.

The present paper adds to this literature by analysing the structure and stability of industry wage differentials in the Belgian private sector over the period 1999-2005, and by examining the role of rent-sharing as possible explanation. Studies by Du Caju et al. (2008) and Plasman et al. (2006) have shown that inter-industry wage differentials in Belgium, as in a number of

other European countries, can only partially be explained by workers' unobserved abilities. Plasman et al. (2006) also show that Belgian firms share rents with their workers, and that rent-sharing explains a significant fraction of inter-industry wage differentials. However, their results only refer to the year 1995 and their estimate of the wage-profit elasticity is likely to be upward biased as their contemporaneous instruments for profits are not the most appropriate to control for efficiency wage effects. Moreover, using data for the years 1995, 1999 and 2002, they found that the dispersion in inter-industry wage differentials steadily decreased between 1995 and 2002. Yet, given that their results are based on only three periods, it is impossible to determine whether industry wage differentials in Belgium are characterised by a negative trend or by cycle effects around a stable mean.

In all, many uncertainties remain about the size, evolution and appropriate theoretical interpretation of the industry wage differentials in Belgium. This paper aims to partially fill this gap by addressing the following questions:

i) Are sectoral differences in pay a temporary phenomenon or do they persist over time?

i) How large is the elasticity between wages and profits, controlling for the endogeneity of profits, and does it change over time?

ii) What is the contribution of rent-sharing to the observed industry wage differentials, and is it stable over time?

To address these questions, we rely on a unique matched employer-employee data set. This data set derives from the combination of the *Structure of Earnings Survey* and the *Structure of Business Survey* for all the years from 1999 to 2005. The former contains detailed information on firm characteristics (e.g. sector of activity, size of the firm, and level of wage bargaining) and on individual workers (e.g. gross hourly wages, bonuses, age, education, sex, and occupation). The latter provides firm-level information on financial variables (e.g. gross operating surplus and value added per capita).

The remainder of this paper is organised as follows. In the next section a review of the literature on the magnitude and sources of industry wage differentials is presented. Section 3 describes the data used in the paper and displays summary statistics. The methodology to compute inter-industry wage differentials and the estimates of the effects of individual, job and employer characteristics on workers' wages are presented in section 4. Section 5 examines the size, dispersion and stability of industry wage differentials in the Belgian private

sector over the period 1999-2005. Section 6 analyses the elasticity between wages and profits and the contribution of rent-sharing to the observed industry wage differentials. The last section concludes.

2. Review of the Literature

According to the standard Walrasian (competitive) model of the labour market, in which the equilibrium wage is determined by marginal productivity, two agents with identical productive characteristics necessarily receive identical wages. However, so-called compensating differences may occur between similar individuals with different working conditions. Indeed, the disutility undergone by one individual following the performance of a task in an unfavourable situation may lead to wage compensation. This simple description of the wage determination process has been challenged by the pioneering observations of Slichter (1950) and more recently by Dickens and Katz (1987), Krueger and Summers (1988) and Katz and Summers (1989). These authors have demonstrated that pay differentials existed in the U.S. between workers with the same observable individual characteristics and working conditions but employed in different sectors. In recent years, comparable results have been obtained for a large number of countries (Araï et al., 1996; Hartog et al., 1997, 2000; Lucifora, 1993; Vainiomäki and Laaksonen, 1995). Moreover, it has been shown that the structure of inter-industry wage differentials is quite persistent and strongly correlated between countries but that its scale varies considerably between industrialised countries (Helwege, 1992; Zanchi, 1992). A number of studies, except that of Björklund *et al.* (2007), suggest in addition that sectoral effects are significantly weaker in strongly corporatist countries, regardless of the period studied (Barth and Zweimüller, 1992; Edin and Zetterberg, 1992; Gannon *et al.*, 2007; Kahn, 1998; Teulings and Hartog, 1998).

Overall, the existence of sectoral wage premia increasingly casts doubt on the assumption of a perfectly competitive labour market. Indeed, it suggests that individual wages are not solely determined by personal productive characteristics and task descriptions but also by employer features in each sector. Nevertheless, great uncertainty remains.

2.1. The Role of Unobserved Ability

Uncertainty derives from the fact that the unobserved quality of the labour force might not be randomly distributed across industries. In other words, high-paying industries might simply be those in which unmeasured labour quality is highest. Almost all studies examining the unobserved quality explanation rely on panel data. They compute industry wage premia on the basis of a wage equation estimated in first-differences so as to control for time-invariant unobserved individual ability. Results put forth by these studies are mixed. Krueger and Summers (1988), for example, show for the U.S. that the magnitude of inter-industry wage differentials decreases only marginally when wage equations are estimated in first-differences rather than in levels. A similar result has been reported by Gibbons and Katz (1992) on the basis of U.S. data from plant closings. In contrast, Abowd et al. (1999), Goux and Maurin (1999) and Murphy and Topel (1990), show that individual fixed effects explain a large fraction of estimated inter-industry wage differentials in the U.S. and France. Using longitudinal data from the British Household Panel Survey, Benito (2000) and Carruth *et al.* (2004) also provide strong evidence in favour of the unobserved quality explanation.

Longitudinal data allow to control for fixed unobserved individual characteristics and thus present a major advantage compared with cross-sectional data. Yet, the use of panel data generates specific problems that are not encountered with cross-sectional data. Indeed, first-difference estimates may be biased if: i) the number of workers changing industries is small, ii) workers who switch industries have non random characteristics, and iii) unobserved labour quality is not equally valued across industries. Fixed effects estimations are also more affected by measurement errors (i.e. errors in reporting changes in workers' sectoral affiliation) since they exclusively focus on individuals switching industries. A final issue concerns the return-to-tenure component of the wage equation (Björklund et al., 2007). Indeed, it is argued that fixed effects estimates are biased since the tenure effect is likely to be underestimated for individuals who have just switched industries.

To avoid the problems encountered with first-difference estimates, Björklund et al. (2007) examined the role of unobserved ability in explaining inter-industry wage differentials using data on siblings. Their results show that unobserved ability accounts for approximately 50 percent of inter-industry wage dispersion in the U.S. and for between 11 and 24 percent in the Scandinavian countries. The unobserved quality explanation has further been tested with

cross-sectional data by Martins (2004a). Applying quantile regressions to a Portuguese matched employer-employee data set for 1995, the author rejects the hypothesis that high-wage industries draw disproportionately more on high-ability workers. Consequently, he suggests that non-competitive forces play an important role in the wage determination process. Using the same methodology, Du Caju et al. (2008) and Plasman et al. (2006) end up with a different conclusion for the Belgian economy. Their findings, based on matched employer-employee data for 1995 and 2002, suggest that unobserved ability is partially responsible for observed wage differentials.

2.2. The Role of Employers' Characteristics

All in all, there is no consensus regarding the exact scale of industry wage premia. Moreover, while studies on industry wage premia offer some evidence against the perfectly competitive model, they hardly allow to discriminate among alternative models supporting the existence of an effect of employer characteristics on wages (Benito, 2000; Krueger and Summers, 1988; Lindbeck and Snower, 1990; Thaler, 1989; Walsh, 1999). Prima facie, wage disparities observed between sectors support the efficiency wage theory. Indeed, the latter shows that if the incentive conditions for effort vary between sectors, then two workers with identical productive characteristics and working conditions are likely to earn different wages. For instance, according to the effort version of the efficiency wage theory, large companies would find it in their interest to offer relatively higher wages to their employees because they face higher costs to monitor effort.

However, this theory does not explain why the scale of inter-industry wage differentials varies between countries and appears to be more compressed in corporatist countries. The motives for companies to pay efficient wages, i.e. wages above the competitive level, actually seem to be similar among industrialised countries. Therefore, some authors (e.g. Teulings and Hartog, 1998) believe that the explanation put forward by Holmlund and Zetterberg (1991), based upon the rent-sharing theory, is more compelling. Holmlund and Zetterberg (1991) showed that the influence of sectoral conditions (variations in prices and productivity) on wages is strong in the U.S., moderate in Germany and low in the Scandinavian countries. The elasticity between sectoral environment and wages thus appears to be more pronounced in non-corporatist countries. To put it differently, determination of wages would depend more on the general macro-economic conditions in corporatist countries. This may be due to the fact that

explicit or implicit co-ordination of wage bargaining in corporatist countries restricts workers' insider power, or in other words their ability to obtain part of the sectoral rents. It is also argued that the policy of 'wage solidarity' pursued by unions in most corporatist countries reinforces this phenomenon (Vainiomäki and Laaksonen, 1995). In sum, this strand of the literature suggests that rent-sharing is partly responsible for observed sectoral wage premia and for their apparently higher dispersion in non-corporatist countries.

However, this conclusion should be drawn with care for at least two reasons. Firstly, the hypothesis that the dispersion of inter-industry wage differentials is significantly lower in corporatist countries has been challenged by Björklund et al. (2007). Using data on siblings, the latter find that inter-industry wage differentials are not significantly larger in the U.S. than in Scandinavian countries, after controlling for unobserved factors shared by brothers. Secondly, more convincing evidence on the existence and magnitude of rent-sharing is provided by studies that directly estimate the elasticity between wages and profits (or value-added) with firm-level or matched worker-firm data (Abowd and Lemieux, 1993; Araï, 2003; Blanchflower et al., 1996; Christophides and Oswald, 1992; Fakhfakh and FitzRoy, 2004; Goos and Konings, 2001; Gürtzgen, 2005; Hildreth and Oswald, 1997; Margolis and Salvanes, 2001; Martins 2004b; Rycx and Tojerow, 2004; Van Reenen, 1996). Findings from this literature show that profitable firms pay higher wages even after detailed personal and firm characteristics are controlled for. Nevertheless, it is still unclear whether pay-profit elasticity is larger in countries with little centralisation or corporatism. Moreover, the evidence on whether rent-sharing contributes to the explanation of inter-industry wage differentials is very limited. Yet, several papers support the hypothesis that industry wage premia result from inter-sectoral variations in 'ability to pay', i.e. profits. For example, Kouwenberg and van Opstal (1999) show that industry wage differentials in the Netherlands are positively and significantly correlated to industry profits. A similar result is reported for the U.K. by Benito (2000) and for six member states of the European Union by Gannon et al. (2007). In contrast, Genre et al. (2005) find no significant relationship between industry wage premia and sectoral profits in the Euro area. However, this may be explained by data restrictions. A more explicit test of the contribution of rent-sharing to observed inter-industry wage differentials is provided by Plasman et al. (2006). The authors show that Belgian firms share rents with their workers, and that rent-sharing explains a significant fraction of inter-industry wage differentials. However, their results only refer to the year 1995 and their estimate of the wage-profit elasticity is likely to be upward biased as their contemporaneous

instruments for profits are not the most appropriate to control for efficiency wage effects. Hence, the assessment of how rent-sharing contributes to the inter-industry wage differentials deserves to be re-examined with more recent and detailed data.

3. Description of the Data

The present study is based upon the *Structure of Earnings Survey* (SES) and the *Structure of Business Survey* (SBS) carried out by Statistics Belgium. The SES, currently available for the years 1999 to 2005, is a large matched worker-firm data set. It covers the Belgian firms employing at least ten workers whose economic activities fall within sections C to K of the Nace Rev. 1 nomenclature. It thus encompasses the following sectors: mining and quarrying (C), manufacturing (D), electricity and water supply (E), construction (F), wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods (G), hotels and restaurants (H), transport, storage and communication (I), financial intermediation (J), real estate, renting and business activities (K). The survey contains a wealth of information, provided by the management of the establishments, both on establishment-level characteristics (e.g. sector of activity, size of the establishment, and level of wage bargaining) and individual workers (e.g. education, age, seniority, number of working hours paid, gender, occupation, gross hourly wages, annual bonuses). Gross hourly wages – *excluding* bonuses[1] – are calculated by dividing total gross earnings (including earnings for overtime hours and premiums for shift work, night work and/or weekend work) in the reference period (October) by the corresponding number of total paid hours (including paid overtime hours). In contrast, gross hourly wages – *including* bonuses – are obtained by adding to the gross hourly wages (excluding bonuses) the annual bonuses divided by: i) the number of month to which the bonuses correspond and ii) the number of total paid hours in the reference period, respectively.

The 1999 wave of the SES was conducted using a representative sample of 113,076 individuals working for 4,801 establishments. After the exclusion of individuals for whom one of the variables used entailed an incorrect or missing observation, the number of individuals in the sample has dropped to 102,563 units working in 4,548 establishments.[2] A

[1] Annual bonuses include irregular payments which do not occur during each pay period, such as pay for holiday, 13th month or profit-sharing.

[2] Workers with earnings below the 1st percentile or above the 99th percentile have also been excluded.

similar filtering process has been applied to the other waves of the SES (covering the years from 2000 to 2005). The initial surveys included between 100,203 (in 2004) and 109,952 (in 2001) observations. However, the exclusion of incorrect or missing values brought the definitive samples at between 94,909 (in 2004) and 106,575 (in 2001) individuals.

The SES provides no financial information. However, a central objective of this paper is to estimate the elasticity between wages and profits at the firm level and to measure the contribution of rent-sharing to the observed industry wage differentials. To attain these goals the SES has been merged with a firm level survey, the *Structure of Business Survey* (SBS). The SBS, conducted by Statistics Belgium, provides information on financial variables such as the firm-level value added and gross operating surplus per worker. The coverage of the SBS differs from the SES in that it does not include the financial sector (NACE J). Moreover, when it is merged to the SES at the firm level (in section 6), many observations are lost. The final samples, combining the SES and the SBS, contain between 37,574 (in 2000) and 56,310 (in 2005) individuals working for between 1,133 (in 2000) and 2,238 (in 2005) firms. They are representative of all firms employing at least 20 workers within sections C to K of the Nace Rev.1 nomenclature, with the exception of the financial sector.

[Insert Table 1]

Table 1 sets out the means and standard deviations of gross hourly wages, as well as the structure of selected variables in the SES for the years 1999 to 2005.[3] We note that the gross hourly wage (including bonuses) has been increasing from 14.4 EUR in 1999 to 17.2 EUR in 2005. On average, i) three-quarters of the workers have at most a degree from the upper secondary school, ii) the age structure of the workforce is at follows: 22 percent of workers younger than 30, 62 percent of prime aged workers (between 30 and 49 years) and 16 percent of older workers (with at least 50 years)[4], iii) over the whole period, almost 40 percent of the workers have at least 10 years of seniority, iv) the proportion of women is slightly below one-third for each year, v) more than 90 percent of the workers have a permanent employment contract between 1999 and 2005 and vi) around 10 percent of the employees are working part-time during the 6 years covered by the sample. Moreover, we find that on average almost 40

[3] Descriptive statistics relative to the merged SES-SBS samples are reported in Appendix 1.

[4] Note that the proportion of young workers has decreased (from 25.4 to 22 percent) between 1999 and 2005, while the fraction of older workers has increased (from 14 to 17.3 percent).

percent of the workers are employed in establishment with 200 employees or more and that the vast majority of the workforce is concentrated in firms essentially owned by private capitals. Finally, let us notice that the proportion of workers employed in firms where wages are collective renegotiated in house varies between 28 (in 1999) and 31 percent (in 2005). The proportion of workers whose wages are solely determined through national and/or sectoral collective agreements thus stands at around 70 percent.

[Insert Table 2]

Tables 2 and 3 show respectively the distribution of employment across sectors and the mean gross hourly wage (including bonuses) in each industry. Figures in Table 2 indicate that more than 30 percent of the workers are concentrated in the four following sectors: i) other business activities (NACE 74), ii) retail trade, repair of personal and household goods (NACE 52), iii) wholesale trade and commission trade (NACE 51), and iv) construction (NACE 45). A large fraction of the workforce is also employed in the manufacture of food products and beverages (NACE 15), the manufacture of chemicals and chemical products (NACE 24), and the financial intermediation sector (NACE 65).

[Insert Table 3]

Table 3 reveals in addition that mean gross hourly wages (including bonuses) fluctuate considerably across sectors. On average, the best paying industry is the electricity, gas, steam and hot water supply sector. The average worker there earns around 24.6 EUR per hour. This sector is followed by the manufacture of coke, refined petroleum and nuclear fuel industries (23.2 EUR), the financial intermediation sector (22.2 EUR), the insurance and pension funding sector (20.6 EUR), and the manufacture of chemicals and chemical products (20.0 EUR).

The hotels and restaurant sector is at the very bottom of the wage scale. The average worker's hourly wage here is 9.8 EUR, approximately 250 percent less than that of the average worker in the best paying industry. At the bottom of the scale, we likewise find the manufacture of wearing apparel (11.7 EUR), the manufacture of furniture (12.1 EUR), the manufacture of wood and products of wood and cork (12.1 EUR), and the land transport sector (12.1 EUR).

Where do these substantial gross wage differentials come from? Can they be accounted for solely by the sectoral heterogeneity in workers productive characteristics and working conditions, or do they also derive from the specific features of the employers in each firm, e.g. profits ? These questions, among others, are analysed in the remainder of this paper.

4. Wage Regressions

4.1. Methodology

The methodology that has been adopted to estimate the magnitude and dispersion of inter-industry wage differentials in the Belgian private sector over the period 1999-2005 is consistent with that of Krueger and Summers (1988). However, the standard errors of the industry wage differentials have been corrected according to Zanchi (1992).

Overall, this strategy rests upon the estimation, for each period, of the following Mincer-type (1974) wage equation:

$$w_i = \alpha + \sum_{r=1}^{R} \delta_r X_{r,i} + \sum_{k=1}^{K} \psi_k Y_{k,i} + \sum_{l}^{L} \lambda_l Z_{l,i} + \varepsilon_i \qquad (1)$$

where w_i is the logarithm of the gross hourly wage of worker i (i = 1,…, N); X is a vector of individual and job characteristics (a dummy for sex, 6 dummies for the highest completed level of education, 8 dummies for the age of the worker, 3 dummies for the number of years of tenure, 2 dummies for the type of employment contract, a dummy indicating if the worker is part-time, a variable showing whether the individual received a bonus for shift, night and/or weekend work, a dummy for paid overtime and 22 occupational dummies), Y comprises dummy variables relating to individuals's sector affiliation (nomenclature available both at the NACE two- and three-digit level); Z contains employer characteristics (7 dummies for the size of the establishment, a dummy for the type of financial and economic control and a dummy for the level of collective wage bargaining); α is the intercept; δ, ψ and λ are the parameters to be estimated and ε_i is the error term.

4.2. Wage Regressions

Before embarking upon the analysis of the effects of workers' sectoral affiliation on wages, we briefly discuss the results from equation (1) that has been estimated for each period by OLS with White (1980) heteroscedasticity-consistent standard errors.

[Insert Table 4]

Results in Table 4 show, in line with human capital theory, that the level of education exercises a substantial positive influence upon wages. However, the return associated with each level of education is not very stable over time. Indeed, compared to someone with a primary education qualification (or no degree), the wage differential fluctuates from 3.9 to 8.5 percent[5] for someone with a general upper secondary education, from 10.3 to 16.9 percent for someone qualified on a short non-university higher education course, from 24.9 to 30.9 percent for someone with a long non-university or university higher education, and from 33.2 to 43.9 percent for an individual who has obtained a postgraduate degree.

Not surprisingly, we also see a significant and positive relation between wages and workers' age. Yet, the return on age becomes smaller for workers aged 60 or more (except in 1999). Given that age is used as proxy for workers' general labour market experience, results seem to support the hypothesis of an inverted U-shaped relationship between wages and experience. This hypothesis rests upon the idea that the investment in human capital (specific training and accumulation by work) diminishes over time and that the stock of human capital suffers from some degree of obsolescence (Flamand and Plasman, 2006; Lallemand and Rycx, 2008).

The relationship between wages and seniority in the company is also clearly positive (but not in the form of a bell). This result can be explained through the almost automatic increase in wages as a function of years of seniority (essentially for white-collar workers) and through the progression in the earnings classification (i.e. promotion by seniority). It also illustrates the fact that companies reward human capital that is specific to their working environment. Finally, these results support the 'turnover' version of the efficiency wage theory (Stiglitz, 1974) according to which companies grant a bonus to workers who are faithful to them.

[5] Technically, this figure is obtained by taking the antilog (to base e) of the estimated dummy coefficient from which 1 is subtracted (x 100).

The dummy variable relating to gender suggests that, all other things being equal, women are paid wages which are between 10 and 12 percent lower than those of men. This result is in line with the growing literature on the gender wage gap in Belgium. Jepsen (2001) shows, for instance, on the basis of the 1994 and 1995 *Panel Study of Belgian Households* (PSBH), that the sex wage gap between full-time workers stands at around 15 percent and that only a small part of it can be explained by gender differences in endowments. In contrast, using the 1995 *Structure of Earnings Survey* (SES), Plasman et al. (2001) suggest that the wage gap between (all) men and women working in the Belgian private sector reaches almost 22 percent and that half of it is attributable to gender differences in working conditions, individual and firm characteristics. A similar result has been found by Plasman *et al.* (2006) and Rycx et al. (2008) on the basis of the SES for the years 1995, 1999 and 2002. Using the PSBH, Konings (2005) shows in addition that the gender wage gap in the Belgian economy has been stable over the period 1998-2002 and that a substantial part of it can be attributed to discrimination. Findings reported in Table 4 corroborate this conclusion. Indeed, they show the existence of a remarkably stable gender wage gap even after controlling for individual and firm characteristics. To put it differently, they reject the hypothesis of a 'natural' trend towards pay equality.

Moreover, Table 4 reveals the existence of a quite small wage penalty for part-time workers in all years except 2005.[6] Overall, these results are in line with earlier work of Jepsen (2001) and Jepsen et al. (2005). Both studies examine the impact of part-time employment in Belgium. Using respectively the PSBH and the SES, the authors find no sign of a "within industry and occupational group" wage penalty against part-timers. However, they report a substantial "market-wide" wage gap. These findings suggest that, although discrimination legislation seems to be working, part-timers are segregated both at the occupational and sectoral level.

The fact of putting in extra paid hours or being paid a bonus for non-typical working hours (shift work, night work and/or weekend work) leads to an increase in hourly wages of around 2 and 5 percent respectively compared to the reference category. Also noteworthy is that the wage penalty of those employed on a fixed-term employment contract fluctuates between 6.2 (in 2005) and 10.1 percent (in 2003) with respect to their opposite numbers with a permanent contract. The existence of a wage penalty against workers with a fixed-term contract is

[6] For 2005, results indicate that *ceteris paribus* part-timers receive a small wage premium.

compatible with the proposal put forward by Harris and Holmström (1982). According to this proposal, employers levy an amount on the wages of newcomers in order to pay for their uncertainty as to their productive ability. Be that as it may, the reason why the wage penalty against workers on a fixed-term contract varies substantially over time remains unclear.

As regards employer characteristics, we find that all other things being equal wages are significantly higher in firms essentially owned by private capitals (except in 1999 and 2000). Overall results also show the existence of a significant and positive effect of the employer size on workers' wages. However, this effect is less marked across smaller establishments (i.e. establishments with less than 50 employees). Moreover, according to Lallemand et al. (2005), a significant part of this establishment-size wage premium can be explained by the fact that the productivity and stability of the Belgian workforce is higher in large establishments. Finally, it is found that workers in firms where wages are collectively renegotiated in house earn between 4.0 and 5.7 percent more than their opposite numbers whose wages are solely determined by national and/or sectoral collective agreements. These results fit in with findings reported earlier by Rycx (2003), Plasman et al. (2006) and Rycx et al. (2008).

Overall, results from our wage regressions are quite satisfactory. Indeed, a substantial part of the total variation in individual hourly wages is explained by the regression model (i.e. between 62 and 66 percent, depending on the period considered). Moreover, most regression coefficients are significant and they have the expected sign. Be that as it may, our estimates might be slightly biased because of the fact that our sample is censored. In fact it does not contain any information on the number of unemployed people or on their characteristics. Docquier et al. (1999), Laurent (2000) and Jepsen (2001) have studied this problem in the case of Belgium. Their results obtained using the PSBH suggest that the expected level of earning is not significantly tied to the fact of having a job. The assessment of a censored sample therefore would not lead to a significant selection bias in Belgium. Although this result might derive from the low percentage of unemployed people included in their samples, it does tend to back up our estimates.

5. Inter-Industry Wage Differentials

Table 5 reports inter-industry wage differentials for NACE two-digit industries between 1999 and 2005. [7] These differentials are estimated on the basis of equation (1) using as dependent variable the (log of) individual gross hourly wages including annual bonuses.

[Insert Table 5]

Results show, for all periods, the existence of substantial wage differentials between workers employed in different sectors, even after controlling for a large number of employee, job and establishment characteristics.[8] Between 77 and 88 percent of these differentials are statistically significant at the 10 percent level. We also note that the hierarchy of sectors in terms of wages is very stable over time. Indeed, results reported in Table 6 show that the Pearson and Spearman correlation coefficients between the wage differentials estimated for 1999-2005 reach at least 70 percent.[9] These correlations suggest that the estimated wage differentials between industrial sectors do not derive from transitory differences in demand across industries.

[Insert Table 6]

The best-paying industry over the period 1999-2005 is the electricity, gas, steam and hot water supply sector. Depending on the period under investigation, the average worker in this sector earns *ceteris paribus* between 24 and 46 percent more than the average worker in the whole economy. At the top of the conditional wage distribution, we also find the manufacture of coke, refined petroleum products and nuclear fuel (between +20 and 30 percent), financial

[7] In order to get the difference in percentage terms between the wage (in EUR) of the average worker in sector k and the employment-share weighted mean wage (in EUR) in the economy, the following expressions have been computed : $V_k = [(\exp(\hat{\psi}_k) - 1) - G]$ for $k = 1,\ldots, K$ and $V_{K+1} = -G$; where $G = \sum_{k=1}^{K} \overline{p}_k [\exp(\hat{\psi}_k) - 1]$. This transformation is necessary because the estimated wage equation has a semi-logarithmic form (for a discussion see Reilly and Zanchi, 2003).

[8] Inter-industry wage differentials at the NACE three-digit level are reported in Appendix 2. They support and refine our conclusions.

[9] Similar results are obtained when inter-industry wage differentials are computed at the NACE three-digit level (see Appendix 3).

intermediation, except insurance and pension funding (between +12 and 21 percent), and the manufacture of chemicals and chemical products (between +12 and 17 percent).

The hotels and restaurants sector is at the very bottom of the wage scale: the average worker's wage there is *ceteris paribus* between 15 and 20 percent lower than that of the average worker in the economy. At the bottom of the scale, we also find the manufacture of wearing apparel, dressing and dyeing of fur (between -11 and -19 percent), the manufacture of furniture (between -12 and -16 percent), the manufacture of wood and products of wood and cork (between -10 and -14 percent), the manufacture of textiles (between -10 and -12 percent), the collection, purification and distribution of water industry (between -6 and -17 percent) and retail trade (between -5 and -15 percent).

If we compare these results with those of Du Caju et al. (2008) and Rycx et al. (2008) for several European countries on the basis of the 2002 *European Structure of Earnings Survey* (ESES), we find that the sectoral wage structure reported for Belgium is quite similar to that observed in other industrialised countries. To put it differently, it appears that high and low wage industries do not vary substantially across countries.

[Insert Table 7]

What about the dispersion of inter-industry wage differentials? Table 7 shows the range and the weighted adjusted standard deviation (WASD) of the inter-industry wage differentials estimated for the period 1999-2005 at the NACE two- and three-digit level. Not surprisingly it is found that the dispersion in inter-industry wage differentials grows significantly when the number of sectors being considered increases. We also note that the WASD is not characterised by any upward or downward trend but on the contrary is quite stable over the whole period[10].

6. Inter-Industry Wage Differentials and Rent-Sharing

Findings reported so far emphasize the existence of substantial and persistent wage differentials among workers with the same observed characteristics employed in different sectors. At face value, these results are incompatible with the assumption of a perfectly

[10] In this short period of seven years, the WASD is positively correlated with lagged cyclical indicators, like real GDP growth and the NBB's business cycle indicator and output gap measure.

competitive labour market. Indeed, they suggest that individual wages are not solely determined by personal productive characteristics and task descriptions but also by the features of the employers in each sector.[11] Therefore the role of non competitive forces deserves to be examined. The most natural non-competitive explanation for the existence of industry wage differentials is that they derive from inter-sectoral variations in 'ability to pay', i.e. profits. This explanations generally supported in the literature (Benito, 2000; Gannon et al. (2007); Kouwenberg and van Opstal, 1999; Plasman et al., 2006) is compatible with several wage determination models, including efficiency wage mechanisms and rent-sharing. In this paper, we attempt to go a step further by examining the importance of rent-sharing in the Belgian private sector as well as its contribution to observed inter-industry wage differentials.

6.1. How Big and Significant is the Wage-Profit Elasticity?

Two models have become standard in the literature for the analysis of the impact of profits-per-employee on wages in a bargaining framework. These are the right-to-manage and the efficient bargaining models, so-named respectively by Nickell and Andrews (1983) and McDonald and Solow (1981). In the right-to-manage model, firms unilaterally determine employment, while wages are the result of a confrontation between the objectives of the firm and of the employees. In the efficient bargaining model, bargaining takes place with respect to both employment and wages. While both models produce the same wage equations, they differ in that in the former employment is endogenous with respect to wages whereas in the latter it is exogenous. Nevertheless, they both suggest that wages are related to the firm's ability to pay, i.e. to the firm's profitability.

[11] Yet, it could be argued that the unobserved quality of the labour force is not randomly distributed across sectors. In other words, high-paying industries might simply be those in which the non-observed quality of the labour force is the highest. This hypothesis has been tested for the Belgian private sector by Du Caju et al. (2008) and Plasman et al. (2006) on the basis of Martins' (2004a) methodology. Using matched employer-employee data for the years 1995 and 2002, the authors thus verified (with quantile regressions) if sectors with high average premiums pay even higher premiums to high-wage workers. Their results show that the contribution of unobserved ability to inter-industry wage differentials is limited. Therefore, they suggest that non-competitive forces play an important role in the Belgian wage determination process.

To estimate the amount of rent-sharing in Belgium, we rely on the right-to-manage model.[12] Hence, suppose a bargaining situation where a firm's real profit function is given by:

$$\Pi = R(L) - W\,L \tag{2}$$

with Π the real profits, *R(L)* the real revenue, *W* the real wage and *L* the employment level. Also consider a risk-neutral group of workers, not necessarily a union, which attempts to maximize the expected utility of a representative member, defined as:

$$U = \frac{L}{N}\,W + \left(1 - \frac{L}{N}\right)A \tag{3}$$

with *N* the number of members in the group ($0 < L \leq N$) and *A* the outside option ($W > A$). The outside option is the expected value of real revenue perceived by an individual in case of redundancy. It depends positively on the unemployment benefit and on the expected real wage that a worker would obtain elsewhere, and negatively on the unemployment rate. The model is solved backwards: the profit-maximizing firm determines the employment level, given the bargained wage in the first stage of the game. The resulting deal is represented by the maximization of the generalized Nash bargain. For a company, without fixed costs, the level of utility reached when bargaining fails equals zero. Indeed, since we assume that all workers are affiliated to the group, the company will have to cease production if no agreement is reached. The fallback position of a representative member of the group is equal to *A*.

Accordingly, the generalized Nash bargaining problem can be written as follows[13]:

[12] Using Belgian aggregate data from 1957 to 1988, Vannetelbosch (1996) has shown that both the right-to-manage (Nickell and Andrews, 1983) and the efficient bargaining (McDonald and Solow 1981) models can be rejected in favor of the general bargaining model (Manning 1987). This means that the outcome of the bargaining process is located somewhere between the labor demand curve and the contract curve. Nevertheless, this result must be considered with caution for at least two reasons. First, the estimates are very sensitive to the specification of the reservation wage, and second, the trade union density and the number of strikes are not a very good surrogate for the relative bargaining power of unions. Also noteworthy is that, while these models have different implications for unemployment and economic welfare, they generate identical wage equations. Hence, as in most empirical papers on rent-sharing, we have chosen to rely on the right-to-manage model. For a presentation of theoretical models on rent-sharing see e.g. Blanchflower et al. (1996).

[13] See Nickell (1999: p.3) for a discussion on the notation.

$$\underset{W}{Max}\ U^{\beta}\,\Pi = \underset{W}{Max}\left(\frac{L}{N}\left(W-A\right)\right)^{\beta}\left(R(L)-W\,L\right) \qquad (4)$$
$$s.t.\ \ R'(L)=W$$

with $\beta \in [0,1]$ the relative bargaining power of the workers in the wage bargain. The first order condition of this problem is given by:

$$W = A+\beta\,\frac{\left(R(L)-W\,L\right)}{L} \qquad (5)$$

Expression (5) suggests that real wages are affected by the outside option, real profits-per-employee and the relative bargaining power of workers. The corresponding statistical specification, which will serve as a benchmark for our empirical analysis, can be written as follows:

$$w_i = \alpha+\beta\,(\frac{\Pi}{L})_j+\sum_{r=1}^{R}\delta_r X_{r,i}+\sum_{k=1}^{K}\psi_k Y_{k,i}+\sum_{l}^{L}\lambda_l Z_{l,i}+\varepsilon_i \qquad (6)$$

The only difference between this specification and equation (1) is that we add among the explanatory variables $(\frac{\Pi}{L})_j$, i.e. the logarithm of profits per employee in firm *j*;. The definition of the other variables remains unchanged.

In a first stage, we estimate this equation by ordinary least squares (OLS) with White (1980) heteroscedasticity consistent standard errors. Moreover, in order to control for the potential bias deriving from aggregated firm variables in an individual wage specification, standard errors are corrected for within-group correlated errors as suggested by Moulton (1990). Results are shown in Table 8.

[Insert Table 8]

For all years, regression coefficients have the expected sign and they are generally highly significant.[14] Moreover, the adjusted R^2 reaches at least 60 percent. Our estimate of the wage-

[14] Detailed results of all wage regressions presented in this paper are available upon request.

profit elasticity varies between 0.022 and 0.032. This means that on average a doubling of profits-per-worker increases earnings *ceteris paribus* by between 2.2 and 3.2 percent. To evaluate the impact of profits on the distribution of wages, Lester's (1952) range of pay due to rent-sharing has been calculated. This statistic indicates the degree to which wages change if a worker were hypothetically to move from a low- to a high-rent firm. It is obtained by applying the following formula:

$$4\hat{\beta}\,\frac{\sigma(P)}{\overline{P}} \tag{7}$$

where $\hat{\beta}$ is the estimated wage-profit elasticity, P measures the level of firm profits-per-employee, and $\sigma(P)$ and $\overline{P}$ denote the standard deviation and the mean value of P, respectively. On the basis of this formula, it appears that *ceteris paribus* the wage of a worker would increase by between approximately 19 and 28 percent if she/he switched jobs from a firm whose profits are two standard deviations below the mean level of profits to another firm whose profits are two standard deviations above the mean.

[Insert Table 9]

Our benchmark regression clearly supports the hypothesis that individual wages are significantly and positively related to the firm's ability to pay. Nevertheless, caution is needed. Indeed, two econometric problems arise when using current profits as an explanatory variable. First, there is an accounting relationship between wages and current profits: if wages increase, profits (i.e. value-added minus remuneration of labour) automatically decrease. Therefore, our OLS estimate of rent-sharing is likely to be downward biased. Second, a positive relationship between wages and current profits may arise because higher wages can provide employees with incentives to step up their effort (cf. efficiency wage theories). This would lead to an upward biased estimation of rent-sharing. In order to correct for both problems, we apply 2SLS, using lagged profits as instruments for contemporaneous profits.[15] Results of our 2SLS regression are presented in Table 9. We find that the wage-profit elasticity increases and stands now at between 0.034 and 0.043, which indicates that our

[15] Other instruments used in the literature to control for the endogeneity of profits include: the degree of market competition, prices of imports and exports, exchange rate variations, past technological innovations and sales.

previous estimates were downward biased.[16] It follows that Lester's range of pay due to rent sharing fluctuates between about 24 and 37 percent of the mean wage.

6.2. Inter-Industry Wage Differentials: How Much Does Rent-Sharing Matter?

So far, results have shown that individual hourly wages are significantly and positively related to firm profits-per-employee. In this sub-section, we examine to what extent inter-industry wage differentials are explained by this rent-sharing phenomenon. To do so, we compare the significance, magnitude and dispersion of interindustry wage premia *before* and *after* controlling for the elasticity between wages and (instrumented) profits. In other words, we compare results obtained from a wage equation that does only control for individual, job and firm characteristics (see equation (1)) with those of an earnings equation that also controls for (instrumented) firm profits-per-capita (see equation (6)).

[Insert Table 10]

Results reported in Table 10 show that substantial wage differentials are still recorded between workers employed in different sectors after controlling for profits.[17,18] However, the proportion of significant of inter-industry wage differentials (at the 10 percent level) decreases from around 82 to 45 percent.[19,20] Note further that the hierarchy of sectors in terms of wages remains almost unchanged. Indeed, the correlation coefficient between the inter-industry wage differentials estimated with and without control for profits is highly significant

[16] Note that: i) all coefficients in the first-stage regressions are jointly significant at the 1 percent level, ii) the R^2 of the first-stage regressions stands at between 0.73 and 0.86 depending on the year under investigation, and iii) the elasticity between current and lagged profits-per-employee is always significant and varies between 69 and 80 percent.

[17] Results at the NACE three-digit level are reported in Appendix 4.

[18] Inter-industry wage differentials estimated on the basis of the SES-SBS data are highly correlated over time both at the NACE two- and three-digit level and before and after controlling for profits. See Appendices 5 to 8.

[19] The comparison in the text is based on results obtained with the SES-SBS data before and after controlling for profits. Inter-industry wage differentials (before controlling for profits) at the NACE two- and three digit level obtained with the SES-SBS samples are reported in Appendices 9 and 10.

[20] These figures are averages for the period 2000-2005. Similar results are found when the analysis is performed at the NACE three-digit level and/or on different samples, i.e. SES data (before controlling for profits) and SES-SBS data (after controlling for profits). See Appendices 11 and 12 for detailed statistics.

and stands at between 0.86 and 0.96.[21] Among the best-paying sectors we still find the electricity, gas, steam and hot water supply sector; the coke, refined petroleum and nuclear fuel industry; the chemical industry and the financial intermediation sector (except insurance and pension funding). However, the wage premium in these sectors decreases significantly when controlling for rent-sharing. In 2005, for instance, we find that the wage premium drops by between 24 and 39 percent in the three best paying industries and becomes not significantly different from zero in the financial intermediation sector when profits are taken into account. Furthermore, it is still in the traditional sectors (e.g. hotels and restaurants; the textile industry; the manufacture of wood and products of wood and cork; the manufacture of furniture; the collection, purification and distribution of water industry; and retailing), that wages are lowest. Yet, the estimated wage disadvantage of working in these sectors is generally reduced when controlling for profits. Last but not least, we find that dispersion in inter-industry wage differentials (the WASD) drops by about 25 percent when profits are taken into account.[22] These findings suggest that rent-sharing accounts for a significant fraction of observed inter-industry wage differentials.

7. Conclusion

In this paper, three central questions have been addressed: i) Are sectoral differences persistent over time, showing a trend or cyclical effects?, ii) How large is the elasticity between wages and profits, controlling for the endogeneity of profits, and does it change over time?, iii) What is the contribution of rent-sharing to the observed industry wage differentials, and is it stable over time? These questions have been investigated on the basis of a unique matched employer-employee data set covering the period 1999-2005. This data set derives from the combination of the *Structure of Earnings Survey* and the *Structure of Business Survey*. The former contains detailed information on firm characteristics (e.g. sector of activity, size of the firm, and level of wage bargaining) and on individual workers (e.g. gross hourly wages, bonuses, age, education, sex, and occupation). The latter provides firm-level information on financial variables (e.g. gross operating surplus and value added per capita).

[21] Again, the same result is found at the NACE three-digit level and/or on different samples, i.e. SES data (before controlling for profits) and SES-SBS data (after controlling for profits). See Appendices 13 to 16.

[22] Results at the NACE three-digit level and/or on different samples, i.e. SES data (before controlling for profits) and SES-SBS data (after controlling for profits) support or even reinforce this conclusion. See Appendices 17 and 18.

Our findings show the existence of large wage differentials among workers with the same observed characteristics and working conditions, employed in different sectors. These differentials are persistent and no particular downward or upward trend is observed. Further results indicate that *ceteris paribus*, workers earn significantly higher wages when employed in more profitable firms. The time dimension of our matched employer-employee data allows us to instrument firms' profitability by its lagged value. The instrumented elasticity between wages and profits is found to be quite stable over time. It stands at between 0.034 and 0.043, which suggests that previous estimate of rent-sharing for the Belgian private sector reported by Plasman et al. (2006) for the year 1995 was upward biased. The associated Lester's range of pay due to rent sharing fluctuates between about 24 and 37 percent of the mean wage. In other words, it appears that *ceteris paribus* the wage of a worker would increase by approximately one-third if she/he switched jobs from a firm whose profits are two standard deviations below the mean of profits to another firm whose profits are two standard deviations above the mean.

Finally, results show that substantial wage differentials are still recorded in all years between workers employed in different sectors after controlling for rent-sharing. Also noteworthy is that the hierarchy of sectors in terms of wages remains almost unchanged. However, the proportion of significant inter-industry wage differentials decreases from around 82 to 45 percent. We also find that the dispersion in inter-industry wage differentials drops by about 25 percent when profits are taken into account. These findings suggest that rent-sharing accounts for a large fraction of inter-industry wage differentials.

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Table 1: Description and Means (SDs) of Selected Variables, 1999-2005 (SES data)

Variables:	1999	2000	2001	2002	2003	2004	2005
Gross hourly wage : (in EUR) includes overtime paid, premiums for shift work, night work and/or weekend work and bonuses (i.e. irregular payments that do not occur during each pay period, such as pay for holiday, 13th month, profits sharing, etc.).	14.4 (6.4)	14.5 (6.5)	14.8 (6.6)	15.1 (6.3)	15.3 (6.3)	16.7 (7.6)	17.2 (7.8)
Education:							
Primary or no degree	11.1	9.3	8.5	8.0	7.3	7.5	7.9
Lower secondary	28.5	29.2	29.8	28.5	27.2	26.8	21.0
Technical/Artistic/Prof. upper secondary	20.7	20.6	20.8	19.6	19.7	22.4	26.9
General upper secondary	16.4	17.6	15.9	19.2	19.1	16.7	16.7
Higher non-university short type	14.9	14.7	16.7	15.4	17.0	16.5	17.2
University and non-university education, long type	8.0	8.1	7.9	8.7	9.2	9.5	9.9
Post graduate or PhD	0.4	0.5	0.4	0.6	0.5	0.6	0.6
Age of the worker:							
20-24 years	9.0	9.7	9.8	8.8	8.0	7.5	7.8
25-29 years	16.4	15.8	15.5	14.7	14.9	13.9	14.2
30-34 years	17.6	16.9	16.6	16.7	16.7	16.2	15.5
35-39 years	16.6	16.9	16.5	17.0	16.7	16.5	16.4
40-44 years	14.1	14.1	14.3	15.1	14.9	15.5	15.5
45-49 years	12.3	12.2	12.1	12.3	12.7	13.3	13.3
50-54 years	9.4	9.6	9.7	9.6	10.0	10.8	10.6
55-59 years	3.8	4.0	4.6	4.9	5.1	5.3	5.6
60 years or more	0.8	0.8	0.9	0.9	1.0	1.0	1.1
Seniority in the company:							
0-1 year	24.1	26.6	27.3	23.1	20.5	20.1	18.3
2-4 years	18.8	19.7	21.0	24.4	25.1	23.2	20.8
5-9 years	18.2	15.8	14.5	16.0	17.6	19.4	23.1
10 years or more	38.9	37.9	37.2	36.5	36.8	37.3	37.8
Female (yes)	30.4	30.7	33.1	31.7	33.1	31.3	32.6
Paid overtime (yes)	4.1	3.5	2.4	2.3	3.2	4.2	5.3
Part time (yes)	9.4	8.9	9.5	10.3	9.9	10.3	11.9
Bonuses for shift, night and/or weekend work (yes)	15.5	15.0	14.3	14.7	15.1	14.3	15.1
Type of employment contract:							
Permanent	95.0	93.9	93.9	96.2	94.9	95.7	95.1
Fixed-term	3.8	4.5	4.8	3.2	3.9	3.6	4.3
Other	1.2	1.6	1.3	0.6	1.2	0.7	0.6
Occupation:							
Corporate managers (12)	2.6	2.6	2.2	2.2	2.5	2.5	2.9
Managers of small enterprises (13)	0.6	0.4	0.4	0.3	0.4	0.4	0.4
Physical, mathematic and engineer science professionals (21)	4.5	4.5	5.1	4.8	5.2	5.2	5.3
Life science and health professionals (22)	0.5	0.3	0.3	0.4	0.3	0.4	0.4
Teaching professionals (23)	0.1	0.0	0.0	0.1	0.1	0.1	0.1
Other professionals (24)	4.3	5.4	7.7	5.8	6.5	5.8	6.0
Physical and engineer science associate professionals (31)	5.1	5.0	4.9	4.7	4.7	4.5	4.3
Life science and health associate professionals (32)	0.4	0.4	0.3	0.4	0.4	0.5	0.5
Teaching associate professionals (33)	0.0	0.1	0.1	0.0	0.0	0.0	0.1
Other associate professionals (34)	2.7	4.0	3.3	3.6	5.2	3.6	3.7
Office clerks (41)	18.6	18.9	18.3	18.1	19.6	19.1	20.0
Customer services clerks (42)	2.6	2.5	3.5	3.1	3.2	3.7	2.7
Personal and protective services workers (51)	3.7	4.0	3.6	4.7	4.2	4.5	3.4
Models, salespersons and demonstrators (52)	5.6	4.6	5.6	5.3	3.5	5.3	5.5
Extraction and building trading workers (71)	6.0	5.5	5.3	5.5	5.0	5.1	4.8

Metal, machinery and related trades workers (72)	8.1	8.8	7.7	8.0	7.4	7.6	7.7
Precision, handicraft, printing workers (73)	2.4	1.5	1.5	1.3	1.3	1.1	1.4
Other craft and related trades workers (74)	5.9	5.9	5.2	5.7	5.1	4.7	5.2
Stationary plant and related operators (81)	3.5	3.4	3.1	3.3	3.8	3.4	3.0
Machine operators and assemblers (82)	8.7	8.3	8.3	7.3	7.4	7.9	8.5
Drivers and mobile plant operators (83)	4.5	4.9	4.8	5.0	5.1	5.8	4.7
Sales and services elementary occupations (91)	4.1	3.6	3.5	3.9	3.5	3.1	3.6
Labourers in mining, construction, manufacturing and transport (93)	5.5	5.3	5.4	6.2	5.4	5.7	6.0
Private firm (yes): >50 per cent privately owned firm	96.5	97.2	95.6	95.6	94.4	93.9	95.7
Size of the establishment:							
1-4 employees	0.8	1.0	1.0	1.0	3.0	1.2	1.7
5-9 employees	3.1	2.7	2.3	2.7	4.3	3.5	3.8
10-19 employees	11.0	10.9	10.1	12.0	9.9	10.1	9.9
20-49 employees	21.0	20.7	19.1	20.6	18.0	20.7	19.1
50-99 employees	12.7	12.1	11.9	12.0	11.6	12.6	11.7
100-199 employees	13.2	13.0	13.7	14.3	12.9	12.8	13.7
200-499 employees	14.9	16.6	16.2	16.2	17.2	17.1	17.5
500-1500 employees	23.3	23.0	25.7	21.2	23.1	22.0	22.6
Firm-level collective agreement (yes): collective wage agreement at the firm level for blue- and/or white collars workers	28.4	29.2	27.3	28.0	29.1	31.4	31.4
Number of observations	102,563	106,341	106,575	104,409	100,329	94,909	95,930

Notes: The descriptive statistics refer to the weighted sample. Descriptive statistics relative to the sectoral affiliation of the workers are available upon request.

Table 2: Share of Employment by Sector of Economic Activity (in Percentage, Nace 2-Digit)

Industry (NACE two-digit) / Period:	1999	2000	2001	2002	2003	2004	2005
Other mining and quarrying (14)	0.26	0.23	0.22	0.23	0.17	0.16	0.16
Manufacture of food products and beverages (15)	4.87	4.88	4.59	4.62	4.51	4.51	4.55
Manufacture of tobacco products (16)	0.19	0.21	0.20	0.15	0.14	0.13	0.13
Manufacture of textiles (17)	2.75	2.52	2.31	2.16	2.17	2.07	1.95
Manufacture of wearing apparel; dressing and dyeing of fur (18)	0.73	0.56	0.49	0.47	0.40	0.35	0.31
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear (19)	0.14	0.12	0.10	0.10	0.09	0.09	0.09
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (20)	0.80	0.76	0.75	0.70	0.69	0.70	0.71
Manufacture of pulp, paper and paper products (21)	1.02	1.02	0.97	0.94	0.96	1.01	0.98
Publishing, printing and reproduction of recorded media (22)	1.58	1.95	1.85	2.07	1.70	1.62	1.62
Manufacture of coke, refined petroleum products and nuclear fuel (23)	0.35	0.32	0.31	0.26	0.30	0.34	0.32
Manufacture of chemicals and chemical products (24)	4.45	5.07	4.70	4.46	4.64	4.65	4.66
Manufacture of rubber and plastic products (25)	1.56	1.61	1.67	1.65	1.55	1.54	1.59
Manufacture of other non-metallic mineral products (26)	2.13	2.05	1.96	1.88	1.92	1.88	1.89
Manufacture of basic metals (27)	2.93	2.81	2.70	2.37	2.55	2.50	2.49
Manufacture of fabricated metal products, except machinery and equipment (28)	3.11	3.42	3.05	3.24	3.14	3.19	3.23
Manufacture of machinery and equipment n.e.c. (29)	2.38	2.45	2.18	2.32	2.35	2.31	2.28
Manufacture of office machinery and computers (30)	0.06	0.05	0.03	0.04	0.03	0.05	0.05
Manufacture of electrical machinery and apparatus n.e.c. (31)	1.55	1.51	1.42	1.40	1.47	1.52	1.24
Manufacture of radio, television and communications equipment and apparatus (32)	0.86	1.23	1.19	1.00	1.25	1.16	1.22
Manufacture of medical, precision and optical instruments, watches and clocks (33)	0.43	0.48	0.45	0.37	0.40	0.37	0.40
Manufacture of motor vehicles, trailers and semi-trailers (34)	2.65	2.41	2.40	3.11	3.31	3.25	3.25
Manufacture of other transport equipment (35)	1.17	1.36	1.30	1.11	1.14	1.05	1.04
Manufacture of furniture; manufacturing n.e.c. (36)	1.48	1.34	1.31	1.29	1.20	1.25	1.14
Recycling (37)	0.17	0.17	0.15	0.15	0.15	0.15	0.14
Electricity, gas, steam and hot water supply (40)	1.26	1.17	1.17	0.84	1.15	1.14	1.05
Collection, purification and distribution of water (41)	0.24	0.21	0.20	0.18	0.19	0.20	0.20
Construction (45)	8.50	7.98	7.94	8.12	7.57	7.89	7.78
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel (50)	2.33	2.22	2.20	2.25	2.16	2.32	2.23
Wholesale trade and commission trade, except of motor vehicles and motorcycles (51)	8.85	8.36	7.96	8.39	5.57	6.11	6.42
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods (52)	8.82	6.88	7.35	10.29	5.84	8.00	8.46
Hotels and restaurants (55)	2.67	3.62	3.33	3.23	3.36	3.70	3.62
Land transport; transport via pipelines (60)	3.81	4.49	4.14	4.34	4.28	5.45	4.58
Air transport (62)	0.74	0.69	0.68	0.14	0.22	0.23	0.25
Supporting and auxiliary transport activities; activities of travel agencies (63)	1.91	2.34	2.35	2.56	2.69	2.60	2.54
Post and telecommunications (64)	2.57	3.66	3.63	2.55	5.19	5.19	5.08
Financial intermediation, except insurance and pension funding (65)	4.82	4.99	4.71	4.30	5.25	5.35	5.42
Insurance and pension funding, except compulsory social security (66)	2.04	1.81	1.70	1.75	1.66	1.71	1.65

Activities auxiliary to financial intermediation (67)	0.46	0.49	0.52	0.61	0.61	0.66	0.69
Real estate activities (70)	0.50	0.46	0.47	0.50	0.45	0.48	0.47
Renting of machinery and equipment without operator and of personal and household goods (71)	0.24	0.27	0.26	0.30	0.32	0.29	0.30
Computer and related activities (72)	2.09	2.15	2.27	2.14	2.19	2.28	2.28
Research and development (73)	0.83	0.72	0.72	0.73	0.69	0.72	0.77
Other businesses activities (74)	9.72	8.98	12.09	10.67	14.36	9.87	10.77

Notes: The descriptive statistics refer to the weighted sample.

Table 3: Gross Hourly Wages for Nace 2-Digit Industries (Means and SDs)

Industry (NACE two-digit) / Period:	1999	2000	2001	2002	2003	2004	2005
Other mining and quarrying (14)	14.56	13.99	14.41	14.93	15.83	16.35	16.58
	(5.7)	(4.89)	(4.38)	(5.31)	(5.02)	(6.01)	(6.68)
Manufacture of food products and beverages (15)	13.18	13.62	13.9	14.06	14.53	15.48	15.97
	(5.08)	(5.05)	(4.84)	(4.76)	(5.25)	(5.76)	(6.16)
Manufacture of tobacco products (16)	13.83	14.81	15.58	14.91	15.44	15.35	16.32
	(5.18)	(5.37)	(5.75)	(5.21)	(5.15)	(5.31)	(6.73)
Manufacture of textiles (17)	11.02	11.54	11.73	12.00	12.36	13.30	13.70
	(3.63)	(3.9)	(3.52)	(3.43)	(3.74)	(4.68)	(4.92)
Manufacture of wearing apparel; dressing and dyeing of fur (18)	10.71	10.43	11.76	11.48	10.08	13.13	14.11
	(6.22)	(5.47)	(7.98)	(5.67)	(3.19)	(7.06)	(7.39)
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear (19)	12.93	13.3	13.27	13.92	13.9	15.46	15.76
	(6.18)	(5.85)	(5.54)	(6.47)	(6.38)	(6.58)	(5.97)
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (20)	11.06	11.41	11.56	11.99	12.35	12.91	13.25
	(3.07)	(3.29)	(3.31)	(3.56)	(3.43)	(3.82)	(4.04)
Manufacture of pulp, paper and paper products (21)	14.92	15.49	15.96	15.81	15.96	17.43	17.43
	(5.17)	(5.29)	(10.37)	(5.31)	(5.32)	(6.71)	(5.34)
Publishing, printing and reproduction of recorded media (22)	15.09	15.52	16.67	17.13	16.46	18.09	18.92
	(4.96)	(5.61)	(11.37)	(5.27)	(4.97)	(5.96)	(5.99)
Manufacture of coke, refined petroleum products and nuclear fuel (23)	22.6	22.85	22.53	22.38	21.63	25.05	25.19
	(7.49)	(7.6)	(7.05)	(7.45)	(6.86)	(7.51)	(7.66)
Manufacture of chemicals and chemical products (24)	18.61	19.22	19.25	19.23	19.74	21.29	22.43
	(6.95)	(7.21)	(6.87)	(6.94)	(6.84)	(8.00)	(8.19)
Manufacture of rubber and plastic products (25)	14.05	13.75	15.35	14.74	15.19	16.34	17.05
	(5.41)	(4.58)	(5.75)	(5.1)	(5.34)	(6.08)	(5.94)
Manufacture of other non-metallic mineral products (26)	13.57	13.9	14.47	15.07	15.43	15.92	16.73
	(4.9)	(4.57)	(8.72)	(5.24)	(5.09)	(5.64)	(6.58)
Manufacture of basic metals (27)	16.66	15.63	15.91	16.48	16.9	18.56	19.41
	(5.5)	(5.26)	(5.19)	(4.98)	(5.21)	(6.8)	(7.38)
Manufacture of fabricated metal products, except machinery and equipment (28)	12.62	12.92	13.35	13.68	14.06	14.78	15.44
	(4.08)	(3.9)	(4.14)	(3.91)	(3.99)	(4.54)	(4.92)
Manufacture of machinery and equipment n.e.c. (29)	14.44	14.64	14.87	15.69	15.85	17.23	17.40
	(5.24)	(5.19)	(4.93)	(5.24)	(5.13)	(5.96)	(5.62)
Manufacture of office machinery and computers (30)	16.53	13.93	14.67	15.13	18.46	16.05	17.01
	(7.6)	(4.21)	(4.82)	(5.28)	(7.00)	(6.41)	(6.60)
Manufacture of electrical machinery and apparatus n.e.c. (31)	14.57	14.61	14.47	16.03	16.37	18.54	17.24
	(5.41)	(4.83)	(4.76)	(5.82)	(5.98)	(7.82)	(6.60)
Manufacture of radio, television and communications equipment and apparatus (32)	15.57	16.42	18.58	19.45	18.78	20.34	21.86
	(6.16)	(7.03)	(7.71)	(7.33)	(6.89)	(8.1)	(8.54)
Manufacture of medical, precision and optical instruments, watches and clocks (33)	14.16	14.6	14.91	15.19	15.16	16.50	18.57
	(5.66)	(5.66)	(5.45)	(5.41)	(5.38)	(6.22)	(16.00)
Manufacture of motor vehicles, trailers and semi-trailers (34)	14.13	14.00	14.81	15.77	16.54	16.71	18.60
	(4.54)	(4.16)	(4.15)	(4.24)	(4.63)	(4.83)	(5.59)
Manufacture of other transport equipment (35)	14.75	14.66	15.4	15.31	16.08	18.18	18.26
	(4.63)	(5.03)	(4.98)	(4.29)	(4.58)	(11.53)	(5.89)
Manufacture of furniture; manufacturing n.e.c. (36)	10.89	11.49	11.38	11.92	11.98	12.99	13.60
	(3.62)	(3.9)	(3.31)	(3.61)	(3.37)	(4.69)	(4.66)
Recycling (37)	11.30	11.29	11.57	12.36	12.05	12.70	15.09
	(3.96)	(4.73)	(3.86)	(4.46)	(3.61)	(4.01)	(6.11)
Electricity, gas, steam and hot water supply (40)	24.47	24.46	24.47	25.62	21.48	25.84	26.06
	(8.12)	(7.96)	(8.31)	(8.74)	(10.43)	(11.41)	(11.31)
Collection, purification and distribution of water (41)	13.53	13.50	14.09	14.5	13.92	15.53	16.71
	(4.81)	(4.94)	(4.25)	(3.34)	(4.89)	(4.74)	(5.64)
Construction (45)	11.90	12.01	12.75	13.03	13.32	13.96	14.46
	(3.87)	(3.43)	(3.58)	(3.57)	(3.43)	(4.01)	(4.14)
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel (50)	13.74	13.37	13.96	14.62	14.44	15.91	16.00
	(5.15)	(4.72)	(4.98)	(4.86)	(4.81)	(5.97)	(5.46)

Wholesale trade and commission trade, except of motor vehicles and motorcycles (51)	15.32 (7.15)	15.6 (7.24)	15.85 (6.8)	16.25 (7.16)	15.89 (6.56)	18.38 (8.51)	17.72 (7.45)
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods (52)	11.57 (4.05)	11.51 (4.05)	12.22 (4.54)	12.3 (4.34)	12.69 (4.35)	12.34 (4.35)	13.36 (4.90)
Hotels and restaurants (55)	9.02 (3.59)	9.11 (3.4)	9.69 (3.55)	9.57 (2.66)	9.95 (2.74)	10.47 (3.39)	10.92 (3.49)
Land transport; transport via pipelines (60)	11.35 (4.28)	11.85 (4.73)	11.38 (4)	11.65 (3.97)	12.13 (3.87)	13.07 (4.81)	13.15 (4.67)
Air transport (62)	15.37 (6.92)	12.84 (5.2)	14.97 (6.23)	16.31 (7.58)	18.04 (7.08)	19.58 (7.18)	20.09 (7.32)
Supporting and auxiliary transport activities; activities of travel agencies (63)	14.38 (5.94)	14.25 (5.39)	14.61 (5.93)	14.73 (5.48)	15.37 (5.91)	15.71 (6.16)	16.91 (5.93)
Post and telecommunications (64)	14.61 (5.2)	13.92 (6.32)	14.45 (6.56)	15.15 (6.98)	13.79 (5.52)	15.54 (6.58)	16.87 (8.30)
Financial intermediation, except insurance and pension funding (65)	20.75 (7.58)	21.54 (7.62)	21.15 (8.23)	20.52 (8.18)	21.26 (8.22)	25.20 (8.96)	25.14 (11.09)
Insurance and pension funding, except compulsory social security (66)	18.45 (7.02)	19.58 (7.76)	19.22 (6.85)	20.44 (7.87)	20.06 (6.84)	22.58 (7.72)	23.57 (7.51)
Activities auxiliary to financial intermediation (67)	17.27 (7.17)	17.43 (7.74)	17.86 (8.1)	19.68 (9.37)	20.08 (10.7)	22.34 (11.23)	22.30 (9.98)
Real estate activities (70)	14.25 (7.22)	14.58 (6.88)	14.17 (6.16)	15.52 (6.27)	14.58 (6.28)	16.38 (6.97)	18.05 (7.55)
Renting of machinery and equipment without operator and of personal and household goods (71)	14.50 (6.08)	14.02 (5.83)	14.26 (5.24)	14.84 (6.04)	14.88 (5.66)	16.00 (6.41)	16.55 (6.88)
Computer and related activities (72)	17.74 (6.8)	18.26 (7.07)	18.12 (6.94)	19.00 (7.44)	18.58 (6.75)	21.21 (8.65)	21.62 (7.66)
Research and development (73)	19.50 (8.11)	18.17 (8.03)	17.86 (7.51)	18.29 (7.47)	18.04 (6.8)	20.64 (8.66)	21.19 (7.56)
Other businesses activities (74)	14.49 (7.08)	14.47 (6.86)	13.76 (6.19)	15.3 (6.73)	14.64 (6.55)	16.80 (7.77)	16.90 (8.06)

Notes: The descriptive statistics refer to the weighted sample.

Table 4: Log Wage Equation, OLS, 1999-2005 (SES data)

Variables:	1999	2000	2001	2002	2003	2004	2005
Intercept	2.333**	2.271**	2.288**	2.208**	2.158**	2.219**	2.355**
	(0.016)	(0.021)	(0.016)	(0.016)	(0.016)	(0.020)	(0.020)
Education:							
Primary or no degree	Reference category						
Lower secondary	-0.012**	0.038**	0.026**	0.017**	0.015**	0.019**	0.012**
	(0.003)	(0.003)	(0.003)	(0.004)	(0.004)	(0.004)	(0.003)
Technical/Artistic/Prof. upper secondary	0.026**	0.079**	0.073**	0.051**	0.063**	0.070**	0.046**
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.005)	(0.004)
General upper secondary	0.038**	0.082**	0.067**	0.052**	0.058**	0.079**	0.050**
	(0.037)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Higher non-university short type	0.098**	0.156**	0.126**	0.117**	0.116**	0.148**	0.126**
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
University and non-university education, long type	0.217**	0.256**	0.262**	0.222**	0.235**	0.269**	0.253**
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.007)	(0.006)
Post graduate or PhD	0.323**	0.364**	0.364**	0.287**	0.318**	0.329**	0.310**
	(0.018)	(0.017)	(0.019)	(0.018)	(0.019)	(0.018)	(0.017)
Age of the worker:							
20-24 years	Reference category						
25-29 years	0.041**	0.046**	0.048**	0.041**	0.019**	0.030**	0.011*
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.005)
30-34 years	0.103**	0.113**	0.118**	0.111**	0.099**	0.113**	0.083**
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.005)
35-39 years	0.142**	0.147**	0.158**	0.148**	0.143**	0.148**	0.131**
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.005)
40-44 years	0.156**	0.171**	0.174**	0.172**	0.167**	0.176**	0.155**
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.005)
45-49 years	0.187**	0.191**	0.194**	0.184**	0.185**	0.196**	0.171**
	(0.004)	(0.004)	(0.004)	(0.004)	(0.005)	(0.005)	(0.005)
50-54 years	0.213**	0.220**	0.219**	0.206**	0.207**	0.219**	0.192**
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.006)
55-59 years	0.234**	0.248**	0.233**	0.223**	0.223**	0.235**	0.215**
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.007)	(0.007)
60 years or more	0.239**	0.206**	0.189**	0.200**	0.190**	0.213**	0.198**
	(0.014)	(0.013)	(0.013)	(0.012)	(0.011)	(0.010)	(0.012)
Seniority in the company:							
0-1 year	Reference category						
2-4 years	0.071**	0.067**	0.061**	0.058**	0.051**	0.044**	0.033**
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.004)
5-9 years	0.095**	0.089**	0.085**	0.090**	0.089**	0.069**	0.066**
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.004)
10 years or more	0.136**	0.132**	0.129**	0.135**	0.126**	0.122**	0.112**
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.004)
Female (yes)	-0.121**	-0.113**	-0.113**	-0.114**	-0.117**	-0.120**	-0.103**
	(0.003)	(0.002)	(0.003)	(0.002)	(0.003)	(0.003)	(0.003)
Paid overtime (yes)	0.026**	0.008*	0.021**	0.014**	0.021**	0.018**	0.009*
	(0.004)	(0.004)	(0.005)	(0.005)	(0.004)	(0.005)	(0.004)
Part time (yes)	-0.041**	-0.033**	-0.026**	-0.028**	-0.016**	-0.024**	0.018**
	(0.004)	(0.004)	(0.004)	(0.003)	(0.004)	(0.004)	(0.004)
Bonuses for shift, night and/or weekend work (yes)	0.049**	0.051**	0.057**	0.045**	0.053**	0.059**	0.041**
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Type of employment contract:							
Permanent	Reference category						
Fixed-term	-0.100**	-0.077**	-0.072**	-0.083**	-0.106**	-0.087**	-0.064**
	(0.005)	(0.005)	(0.005)	(0.007)	(0.006)	(0.006)	(0.007)
Other	-0.039**	-0.064**	-0.055**	-0.037**	-0.003	-0.111**	0.009
	(0.007)	(0.007)	(0.008)	(0.009)	(0.008)	(0.013)	(0.015)

Occupation (n=23):	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Private firm (yes): >50 per cent privately owned firm	0.003	0.009	0.030**	0.081**	0.100**	0.082**	0.066**
	(0.008)	(0.010)	(0.006)	(0.007)	(0.006)	(0.007)	(0.008)
Size of the establishment:							
1-4 employees	Reference category						
5-9 employees	0.005	-0.020	-0.019	0.036**	0.045**	0.014	-0.027°
	(0.012)	(0.017)	(0.014)	(0.012)	(0.011)	(0.016)	(0.016)
10-19 employees	-0.005	-0.030°	-0.029*	0.031**	0.055**	-0.001	-0.023
	(0.010)	(0.016)	(0.012)	(0.011)	(0.011)	(0.015)	(0.016)
20-49 employees	0.020°	-0.002	-0.002	0.051**	0.094**	0.026°	0.008
	(0.011)	(0.016)	(0.012)	(0.011)	(0.011)	(0.015)	(0.016)
50-99 employees	0.053**	0.024	0.029*	0.081**	0.109**	0.048**	0.036*
	(0.011)	(0.016)	(0.012)	(0.011)	(0.011)	(0.015)	(0.016)
100-199 employees	0.072**	0.038*	0.033**	0.100**	0.135**	0.076**	0.062**
	(0.011)	(0.016)	(0.012)	(0.011)	(0.011)	(0.015)	(0.016)
200-499 employees	0.089**	0.057**	0.059**	0.128**	0.152**	0.095**	0.076**
	(0.011)	(0.016)	(0.012)	(0.011)	(0.011)	(0.015)	(0.016)
500-1500 employees	0.115**	0.087**	0.064**	0.158**	0.196**	0.117**	0.122**
	(0.011)	(0.016)	(0.012)	(0.012)	(0.012)	(0.015)	(0.016)
Firm-level collective agreement (yes): collective wage agreement at the firm level for blue- and/or white collars workers	0.039**	0.048**	0.042**	0.047**	0.042**	0.055**	0.040**
	(0.002)	(0.003)	(0.002)	(0.002)	(0.002)	(0.003)	(0.003)
Industry effects (Nace 3-digit, n=155)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Adjusted R^2	0.656	0.649	0.626	0.639	0.616	0.657	0.618
F-test	579.1**	588.7**	569.2**	532.4**	505.8**	510.1**	443.8**
Number of observations	102,563	106,341	106,575	104,409	100,329	94,909	95,930

Notes: White (1980) heteroscedasticity consistent standard errors are reported between brackets.
**/*/°: coefficient significant at the 1, 5 and 10%, respectively.

Table 5: Inter-Industry Wage Differentials, in Percentage Terms, 1999-2005 (SES data)

Industry (NACE two-digit) / Period:	1999	2000	2001	2002	2003	2004	2005
Other mining and quarrying (14)	-1.43	0.32	1.52	1.52	4.98**	4.48**	1.41
Manufacture of food products and beverages (15)	1.35**	1.02**	1.42**	0.49*	0.56*	1.79**	-0.34
Manufacture of tobacco products (16)	6.42**	5.40**	6.69**	4.74**	7.59**	-1.01	6.93**
Manufacture of textiles (17)	-10.74**	-10.45**	-10.17**	-9.61**	-11.86**	-10.30**	-11.98**
Manufacture of wearing apparel; dressing and dyeing of fur (18)	-15.94**	-18.67**	-16.22**	-15.20**	-18.79**	-13.26**	-10.62**
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear (19)	-1.25	-0.81	-4.68*	-7.64**	-12.01**	-8.70**	-6.35**
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (20)	-11.86**	-10.19**	-10.11**	-10.65**	-11.13**	-9.99**	-14.20**
Manufacture of pulp, paper and paper products (21)	3.71**	7.04**	5.48**	6.12**	4.32**	5.05**	5.54**
Publishing, printing and reproduction of recorded media (22)	6.61**	6.57**	6.71**	2.87*	5.64**	5.24**	9.01**
Manufacture of coke, refined petroleum products and nuclear fuel (23)	30.19**	29.29**	28.88**	23.79**	20.30**	29.71**	28.19**
Manufacture of chemicals and chemical products (24)	13.04**	14.68**	16.08**	11.88**	14.03**	15.70**	17.23**
Manufacture of rubber and plastic products (25)	0.01	-2.13**	4.44**	-2.43**	-2.85**	-1.67°	0.60
Manufacture of other non-metallic mineral products (26)	-3.06**	0.26	0.54°	1.26**	0.68°	-0.70	-0.45
Manufacture of basic metals (27)	6.00**	-0.74	-0.49	-2.02*	-1.10	4.17**	5.94**
Manufacture of fabricated metal products, except machinery and equipment (28)	-4.17**	-3.13**	-1.12	-1.13*	-1.46**	-3.00**	-2.59**
Manufacture of machinery and equipment n.e.c. (29)	-1.82**	1.85**	0.13	1.20**	-1.94**	0.31	-0.22
Manufacture of office machinery and computers (30)	2.71	-0.90	-5.51**	-5.43**	2.99	-9.91**	-6.67**
Manufacture of electrical machinery and apparatus n.e.c. (31)	-0.17	0.39	-1.17	-1.93*	-0.72	3.43**	-3.31**
Manufacture of radio, television and communications equipment and apparatus (32)	3.29**	3.52**	7.56**	8.59**	2.94*	4.03**	9.42**
Manufacture of medical, precision and optical instruments, watches and clocks (33)	-3.31**	-1.26	-1.44	1.07	-0.76	-1.85	4.21**
Manufacture of motor vehicles, trailers and semi-trailers (34)	-0.89	-1.57*	0.91*	0.92*	1.19**	0.96°	1.44*
Manufacture of other transport equipment (35)	-1.70*	-2.49**	2.16**	-2.15**	-3.13**	0.99	-2.60*
Manufacture of furniture; manufacturing n.e.c. (36)	-15.41**	-12.07**	-13.83**	-12.47**	-14.03**	-15.55**	-13.76**
Recycling (37)	-8.48**	-4.14°	-4.57**	-3.19*	-5.93**	-7.62**	1.70
Electricity, gas, steam and hot water supply (40)	44.18**	46.32**	40.53**	39.54**	24.35**	41.97**	33.07**
Collection, purification and distribution of water (41)	-12.14**	-16.86**	-6.93**	6.39**	-10.62**	-12.26**	-4.81**
Construction (45)	-4.03**	-2.43**	-1.13*	-1.30**	-2.02**	-2.81**	-4.54**
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel (50)	1.98**	1.79**	2.08**	4.26**	3.45**	5.63**	2.75**
Wholesale trade and commission trade, except of motor vehicles and motorcycles (51)	1.39**	1.80**	2.56**	2.95**	2.86**	5.65**	2.68**
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods (52)	-6.04**	-7.43**	-4.75**	-6.97**	-5.60**	-14.76**	-10.30**
Hotels and restaurants (55)	-17.23**	-18.72**	-17.20**	-18.73**	-15.28**	-18.37**	-19.79**

Land transport; transport via pipelines (60)	-7.70**	-4.14**	-8.15**	-6.36**	-7.89**	-5.32**	-9.62**
Air transport (62)	8.07**	-15.74**	-2.69	-2.04	9.11**	9.15**	-0.26
Supporting and auxiliary transport activities; activities of travel agencies (63)	-0.41	0.12	2.34**	2.01**	3.22**	0.35	3.12**
Post and telecommunications (64)	-4.68**	-6.95**	-4.67**	-7.94**	-7.80**	-10.50**	-4.62**
Financial intermediation, except insurance and pension funding (65)	13.41**	17.17**	20.33**	11.68**	13.68**	21.17**	18.73**
Insurance and pension funding, except compulsory social security (66)	4.63**	7.36**	8.03**	8.85**	7.65**	11.49**	12.24**
Activities auxiliary to financial intermediation (67)	5.00**	8.27**	3.53*	5.31**	12.54**	5.99**	12.39**
Real estate activities (70)	2.88*	5.45**	3.49**	8.34**	1.31	5.79**	13.60**
Renting of machinery and equipment without operator and of personal and household goods (71)	3.83**	-1.68	0.71	1.24	4.42**	0.89	-2.51
Computer and related activities (72)	-1.21	2.23**	-0.44	2.04**	-1.03	0.24	3.51**
Research and development (73)	7.94**	-1.17	-0.99	-0.27	-3.39**	-4.13**	-2.81*
Other businesses activities (74)	1.16**	-2.26**	-8.42**	1.71**	0.46°	-0.33	-1.69**
Adjusted R^2 of the wage regression	0.64	0.64	0.61	0.62	0.60	0.65	0.60
F-test relative to the wage regression	1,155.85**	1,170.0**	1,094.6**	993.5**	970.7**	985.1**	771.84**
F-test relative to the sectoral dummies	148.6**	147.0**	150.6**	127.5**	118.5**	116.6**	117.2**
Per cent significant industry wage differentials at the 10 per cent level	81.3 (35/43)	76.7 (33/43)	76.7 (33/43)	88.4 (38/43)	86.0 (37/43)	79.1 (34/43)	81.3 (35/43)
Range of industry wage differentials	61.4	65.0	57.7	58.3	43.1	60.3	52.9
Weighted adjusted standard deviation (WASD) of the inter-industry differentials	0.077	0.083	0.086	0.070	0.070	0.089	0.086
Number of industries	43	43	43	43	43	43	43
Number of observations	102,563	106,341	106,575	104,409	100,329	94,909	95,930

Notes: Standard errors of the industry wage differentials have been computed according to Zanchi (1992). **/*/°: industry wage differential significant at the 1, 5 and 10 per cent level, respectively.

Table 6: Pearson / Spearman Correlation Coefficients Between Inter-Industry Wage Differentials, NACE two-digit (n=43), (SES data)

Period:	1999	2000	2001	2002	2003	2004
2000	0.895** / 0.772**					
2001	0.924** / 0.776**	0.937** / 0.871**				
2002	0.878** / 0.697**	0.883** / 0.828**	0.931** / 0.824**			
2003	0.905** / 0.852**	0.844** / 0.791**	0.892** / 0.814**	0.872** / 0.806**		
2004	0.916** / 0.826**	0.876** / 0.812**	0.927** / 0.839**	0.900** / 0.783**	0.907** / 0.875**	
2005	0.879** / 0.769**	0.891** / 0.864**	0.931** / 0.888*	0.993** / 0.859**	0.885** / 0.815**	0.918** / 0.852**

Notes: Computation based on the inter-industry wage differentials reported in Table 5.
n stands for the number of sectors. **/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively.

Table 7: Dispersion of Inter-Industry Wage Differentials, 1999-2005 (SES data)

	1999	2000	2001	2002	2003	2004	2005
Range							
NACE two-digit industries	61.4	65.0	57.7	58.3	43.1	60.3	52.9
NACE three-digit industries	81.1	77.5	80.7	88.9	69.1	75.7	92.7
WASD							
NACE two-digit industries	0.077	0.083	0.086	0.070	0.070	0.089	0.086
NACE three-digit industries	0.093	0.097	0.107	0.085	0.088	0.102	0.113

Notes: WASD stands for weighted adjusted standard deviation of inter-industry wage differentials.

Table 8: Log Wage Equation, OLS, 2000-2005 (SES-SBS data)

Period / Explanatory variables:	2000	2001	2002	2003	2004	2005
Profits-per-worker (ln) [b]	0.032**	0.022**	0.029**	0.024**	0.032**	0.031**
	(0.006)	(0.004)	(0.003)	(0.003)	(0.005)	(0.005)
Employee and job characteristics [c]	Yes	Yes	Yes	Yes	Yes	Yes
Firm characteristics [d]	Yes	Yes	Yes	Yes	Yes	Yes
Industry effects [e]	Yes	Yes	Yes	Yes	Yes	Yes
Group effects [f]	Yes	Yes	Yes	Yes	Yes	Yes
R^2	0.64	0.63	0.65	0.61	0.64	0.60
F-test	245.3**	303.3**	323.7**	274.1**	319.7**	251.1**
Lester (1952) range of wages (percent)	18.5	20.5	28.0	25.8	20.4	28.8
Number of employees	37,574	49,136	51,680	52,808	50,720	56,310
Number of establishments	1,113	1,797	2,085	2,125	2,123	2,238

Notes : **/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively. The dependent variable is the individual gross hourly wage (ln). [a] White (1980) heteroscedasticity-consistent standard errors are reported between brackets. [b] Firm annual gross operating surplus per worker. [c] Dummy for sex; 6 dummies for education; 8 dummies for age; 3 dummies for tenure; 2 dummies for the type of employment contract; a dummy indicating if the worker is part-time; a variable showing whether the individual received a bonus for shift work, night work and/or weekend work; a dummy for paid overtime; and 22 occupational dummies. [d] 7 dummies for the size of the establishment (i.e. number of workers); a dummy for the establishment's financial and economic control; and a dummy for the level of collective wage bargaining. [e] NACE three-digit industry classification; [f] Group effects estimations use the correction for common variance components within groups developed by Over, Jolliffe and Foster (1996).

Table 9: Log Wage Equation, 2SLS, 2000-2005 (SES-SBS data)

Period / Explanatory variables:	2000	2001	2002	2003	2004	2005
Profits-per-worker (ln) [b, c]	0.041**	0.040**	0.034**	0.035**	0.043**	0.042**
	(0.010)	(0.005)	(0.005)	(0.006)	(0.006)	(0.007)
Employee and job characteristics [d]	Yes	Yes	Yes	Yes	Yes	Yes
Firm characteristics [e]	Yes	Yes	Yes	Yes	Yes	Yes
Industry effects [f]	Yes	Yes	Yes	Yes	Yes	Yes
Group effects [g]	Yes	Yes	Yes	Yes	Yes	Yes
R^2	0.64	0.63	0.65	0.61	0.64	0.60
F-test	245.3**	307.4**	321.0**	275.8**	291.0**	251.0**
R^2, first stage	0.86	0.78	0.73	0.78	0.78	0.80
F-test, first stage	4,694.1**	3,665.3**	4,684.2**	1,685.8**	2,263.5**	3,960.5**
Lester (1952) range of wages (percent)	23.7	37.3	32.9	31.2	36.5	39.0
Number of employees	37,574	49,136	51,680	52,808	50,720	56,310
Number of establishments	1,133	1,797	2,085	2,125	2,123	2,238

Notes : **/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively. The dependent variable is the individual gross hourly wage (ln). [a] White (1980) heteroscedasticity-consistent standard errors are reported between brackets. [b] Firm annual gross operating surplus per worker. [c] The instrument used in the 2SLS regressions (besides the exogenous variables in equation (6)) is the lagged value of firm-level profits-per-employee. [d] Dummy for sex; 6 dummies for education; 8 dummies for age; 3 dummies for tenure; 2 dummies for the type of employment contract; a dummy indicating if the worker is part-time; a variable showing whether the individual received a bonus for shift work, night work and/or weekend work; a dummy for paid overtime; and 22 occupational dummies. [e] 7 dummies for the size of the establishment (i.e. number of workers); a dummy for the establishment's financial and economic control; and a dummy for the level of collective wage bargaining. [f] NACE three-digit industry classification; [g] Group effects estimations use the correction for common variance components within groups developed by Over, Jolliffe and Foster (1996).

Table 10: Inter-Industry Wage Differentials After Controlling for Rent-Sharing, in Percentage Terms, 2000-2005 (SES-SBS data)

Industry (NACE two-digit) / Period:	2000	2001	2002	2003	2004	2005
Other mining and quarrying (14)	-5,86°	-4,70**	-3,82	0,33	-0,55	-2,26
Manufacture of food products and beverages (15)	-1,58	-0,98	0,29	-0,77	0,34	-0,16
Manufacture of tobacco products (16)	-2,42	-0,30	-1,18	3,30	-2,42°	2,89
Manufacture of textiles (17)	-12,40**	-9,93**	-7,29**	-9,22**	-7,76**	-7,65**
Manufacture of wearing apparel; dressing and dyeing of fur (18)	-6,41	-12,15	-8,96	-17,52**	-12,62*	-12,81**
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear (19)	-0,92	-4,90**	-4,76**	-10,01**	-7,05	-7,06**
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (20)	-13,57**	-12,68**	-9,72**	-12,43**	-11,67**	-15,91**
Manufacture of pulp, paper and paper products (21)	1,19	-0,99	2,39	1,86	2,75	3,83
Publishing, printing and reproduction of recorded media (22)	5,17°	5,87	8,32**	5,75*	6,39**	8,53**
Manufacture of coke, refined petroleum products and nuclear fuel (23)	17,54**	15,70**	18,79**	17,69**	20,63**	17,43**
Manufacture of chemicals and chemical products (24)	8,53**	9,19**	9,94**	10,00**	10,42**	12,49**
Manufacture of rubber and plastic products (25)	-5,26*	1,03	-1,14	-5,24*	-5,14°	0,31
Manufacture of other non-metallic mineral products (26)	-3,40	-0,64	3,82°	2,47	-1,92	0,71
Manufacture of basic metals (27)	-4,21	10,65**	6,53	8,66**	11,98**	4,77
Manufacture of fabricated metal products, except machinery and equipment (28)	-5,92**	0,06	-2,09	-1,84	-2,84°	-1,72
Manufacture of machinery and equipment n.e.c. (29)	-0,69	-1,26	2,18	-0,93	1,09	0,27
Manufacture of office machinery and computers (30)	-4,77	-5,90**	-6,21	-5,98	-11,74**	-5,35
Manufacture of electrical machinery and apparatus n.e.c. (31)	0,54	-2,37	-2,37	1,24	1,74	-1,29
Manufacture of radio, television and communications equipment and apparatus (32)	1,55	5,38°	5,38	-2,23	3,00	7,96**
Manufacture of medical, precision and optical instruments, watches and clocks (33)	-4,29	-2,89	3,99	1,29	0,78	4,61°
Manufacture of motor vehicles, trailers and semi-trailers (34)	-3,01	-0,81	4,19°	5,54**	4,86	3,22°
Manufacture of other transport equipment (35)	-5,70	-3,23	-7,88**	-4,13	5,46	1,15
Manufacture of furniture; manufacturing n.e.c. (36)	-12,78**	-13,12**	-14,42**	-13,84**	-14,84**	-13,47**
Recycling (37)	-9,93**	-11,83*	-8,10**	-3,81	-4,32**	-1,17
Electricity, gas, steam and hot water supply (40)	31,86**	26,14**	32,33**	41,76**	61,35**	24,87**
Collection, purification and distribution of water (41)	-23,43**	-12,41**	-15,66**	-16,20**	-14,84**	-9,56**
Construction (45)	-1,49	-0,75	1,75°	0,63	-1,83	-2,18
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel (50)	3,20	2,46	4,55*	1,37	8,47**	-0,25
Wholesale trade and commission trade, except of motor vehicles and motorcycles (51)	-0,22	3,06*	2,40°	0,66	3,35**	2,22°
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods (52)	-3,04	-6,03*	-10,38**	-7,37**	-12,12**	-8,43**

Hotels and restaurants (55)	-16,07**	-15,04**	-18,90**	-15,23**	-16,83**	-17,32**
Land transport; transport via pipelines (60)	6,73*	-4,72	-5,19**	-4,65°	-1,15	-2,54
Air transport (62)	4,73**	10,48**	15,21	14,58	18,32**	-0,97
Supporting and auxiliary transport activities; activities of travel agencies (63)	-1,91	-3,06	3,01	2,96	1,18	2,15
Post and telecommunications (64)	6,16*	2,94	-1,35	-0,39	-3,14	-3,01
Financial intermediation, except insurance and pension funding (65)	-12,19**	0,91	-7,16*	6,52	-1,55	9,32
Activities auxiliary to financial intermediation (67)	1,22	-4,77	-1,34	0,65	3,32	5,81
Real estate activities (70)	-4,58	-5,07	-3,11	-5,53	-2,79	-1,07
Renting of machinery and equipment without operator and of personal and household goods (71)	-6,65*	-10,02**	-4,00	-4,20*	-9,10**	-10,51*
Computer and related activities (72)	-1,76	-3,06	2,58	-1,13	4,62°	0,88
Research and development (73)	14,03*	-3,32	3,93	2,93	2,67	-1,20
Other businesses activities (74)	0,57	-1,33	1,91	1,01	0,15	-1,77
Adjusted R^2 of the wage regression	0.62	0.61	0.63	0.59	0.63	0.58
F-test relative to the wage regression	592.4**	337.9**	262.7**	146.0**	188.1**	163.5**
F-test relative to the sectoral dummies	24.8**	20.5**	13.8**	9.3**	18.4**	12.5**
Per cent significant industry wage differentials at the 10 per cent level	47.6 (20/42)	42.9 (18/42)	47.6 (20/42)	40.4 (17/42)	52.4 (22/42)	40.5 (17/42)
Range of industry wage differentials	55.3	41.2	51.2	59.3	78.2	42.2
Weighted adjusted standard deviation (WASD) of the inter-industry differentials	0.071	0.063	0.068	0.054	0.065	0.061
Number of industries	42	42	42	42	42	42
Number of observations	37,574	49,136	51,680	52,808	50,720	56,310

Notes: Standard errors of the industry wage differentials have been computed according to Zanchi (1992). **/*/°: industry wage differential significant at the 1, 5 and 10 per cent level, respectively.

Appendix 1: Description and Means (SDs) of Selected Variables, 2000-2005 (SES-SBS data)

Variables:	2000	2001	2002	2003	2004	2005
Gross hourly wage : (in EUR) includes overtime paid, premiums for shift work, night work and/or weekend work and bonuses (i.e. irregular payments that do not occur during each pay period, such as pay for holiday, 13th month, profits sharing, etc.).	15.51 (6.5)	15.29 (6.4)	15.31 (6.1)	15.25 (7.2)	16.63 (7.2)	17.43 (7.5)
Profits-per-worker: (in thousands of EUR) approximated by the firm annual gross operating surplus per worker. The gross operating surplus corresponds to the difference between value added at factors costs and total personnel expenses.	32.03 (46.2)	28.99 (67.5)	29.33 (70.9)	28.85 (64.2)	33.61 (71.3)	38.82 (90.1)
Education:						
Primary or no degree	10.4	9.5	8.4	7.3	8.3	8.6
Lower secondary	28.0	31.2	30.3	27.3	25.0	21.2
Technical/Artistic/Prof. upper secondary	21.6	18.9	18.4	20.0	22.0	25.4
General upper secondary	18.9	19.0	20.6	22.4	20.0	19.0
Higher non-university short type	13.4	14.2	14.0	14.7	15.9	16.2
University and non-university education, long type	7.3	6.8	7.7	7.9	8.3	9.1
Post graduate or PhD	0.4	0.4	0.6	0.4	0.5	0.5
Age of the worker:						
20-24 years	9.5	9.3	8.7	8.2	7.5	8.0
25-29 years	14.5	14.6	14.2	15.7	14.1	14.2
30-34 years	16.1	16.4	16.8	17.2	16.4	15.6
35-39 years	17.0	17.3	17.2	17.5	17.5	17.0
40-44 years	14.6	14.7	15.4	14.7	15.9	15.8
45-49 years	12.8	12.4	12.5	12.1	12.7	13.5
50-54 years	10.4	9.8	9.7	9.2	9.9	10.0
55-59 years	4.5	4.8	4.7	4.5	5.1	4.9
60 years or more	0.6	0.7	0.8	0.9	0.9	1.0
Seniority in the company:						
0-1 year	20.6	23.3	20.3	19.2	18.0	16.9
2-4 years	17.3	18.8	22.7	24.6	22.9	19.5
5-9 years	14.7	14.6	16.0	18.5	20.6	23.7
10 years or more	47.4	43.3	41.0	37.7	38.5	39.9
Female (yes)	26.5	28.1	29.5	31.8	29.2	30.7
Paid overtime (yes)	4.2	3.1	2.6	3.5	4.0	5.5
Part time (yes)	8.0	8.3	9.6	8.4	8.7	10.9
Bonuses for shift, night and/or weekend work (yes)	26.7	21.9	20.4	19.1	18.1	19.5
Type of employment contract:						
Permanent	91.6	93.0	96.0	94.9	95.7	95.1
Fixed-term	5.7	4.9	3.4	3.5	3.8	4.4
Other	2.7	2.1	0.6	1.6	0.5	0.5
Occupation:						
Corporate managers (12)	2.6	2.1	2.0	2.3	2.4	2.6
Managers of small enterprises (13)	0.2	0.5	0.2	0.3	0.3	0.3
Physical, mathematic and engineer science professionals (21)	4.5	5.1	4.7	4.6	5.3	5.6
Life science and health professionals (22)	0.2	0.2	0.3	0.3	0.3	0.3
Teaching professionals (23)	0.0	0.0	0.0	0.0	0.0	0.0
Other professionals (24)	4.1	4.3	4.6	5.6	4.4	5.7
Physical and engineer science associate professionals (31)	7.1	6.2	5.0	4.6	5.0	5.4
Life science and health associate professionals (32)	0.5	0.3	0.4	0.4	0.5	0.6
Teaching associate professionals (33)	0.1	0.0	0.1	0.0	0.0	0.0
Other associate professionals (34)	3.3	2.5	2.8	5.8	2.6	2.4
Office clerks (41)	14.9	15.8	15.1	15.5	15.9	16.6
Customer services clerks (42)	1.9	2.5	2.8	2.5	2.3	1.4

Personal and protective services workers (51)	4.9	3.8	5.4	4.3	4.3	3.1
Models, salespersons and demonstrators (52)	3.8	3.6	4.5	3.5	5.5	6.1
Extraction and building trading workers (71)	3.3	4.6	4.7	5.0	4.5	4.2
Metal, machinery and related trades workers (72)	10.7	9.0	9.2	7.8	8.6	9.1
Precision, handicraft, printing workers (73)	1.4	1.3	1.4	1.5	1.2	1.4
Other craft and related trades workers (74)	5.2	5.3	6.1	5.4	5.6	5.7
Stationary plant and related operators (81)	6.1	5.0	4.8	5.2	5.0	4.0
Machine operators and assemblers (82)	13.7	13.1	10.2	10.8	10.9	11.8
Drivers and mobile plant operators (83)	4.0	5.0	5.5	5.7	6.4	4.8
Sales and services elementary occupations (91)	3.0	3.9	4.6	3.2	3.2	3.5
Labourers in mining, construction, manufacturing and transport (93)	4.5	5.9	5.6	5.7	5.8	5.7
Private firm (yes): >50 per cent privately owned firm	99.4	98.7	96.9	99.0	97.9	99.2
Size of the establishment:						
1-4 employees	0.8	0.7	0.7	3.0	1.1	
5-9 employees	1.5	1.4	1.4	3.6	1.7	1.7
10-19 employees	1.8	1.9	2.4	3.5	2.9	2.7
20-49 employees	5.7	9.8	13.2	13.0	15.6	13.6
50-99 employees	6.8	10.8	12.1	12.8	13.9	13.2
100-199 employees	11.9	17.9	19.0	15.8	16.4	17.8
200-499 employees	29.5	24.5	22.9	22.5	22.4	21.2
500-1500 employees	42.0	33.0	28.3	25.8	26.0	28.4
Firm-level collective agreement (yes): collective wage agreement at the firm level for blue- and/or white collars workers	45.1	41.4	37.0	33.4	38.6	39.3
Number of observations	37,574	49,136	51,680	52,808	50,720	56,310

Notes: The descriptive statistics refer to the weighted sample. Descriptive statistics relative to the sectoral affiliation of the workers are available upon request.

Appendix 2: Inter-Industry Wage Differentials, in Percentage Terms, 1999-2005 (SES data)

Industry (Nace 3-digit) / Data set:	1999	2000	2001	2002	2003	2004	2005
Quarrying of stone (141)	-5.07*	-1.06	-0.78	-0.09	2.28	1.66	-0.36
Quarrying of sand and clay (142)	12.45**	7.18**	14.82**	10.75**	14.78**	13.73**	9.42**
Production, processing and preserving of meat and meat products (151)	-0.91	0.43	-0.17	-3.29**	-3.62**	-1.84	-4.79**
Processing and preserving of fish and fish products (152)	-3.75*	-6.29**	-10.03**	2.81	-0.06	-2.35	-5.29
Processing and preserving of fruit and vegetables (153)	-4.11**	0.57	0.06	-3.70**	-2.62*	-5.84***	-6.02**
Manufacture of vegetable and animal oils and fats (154)	13.60**	4.47*	11.65**	11.14**	9.16**	10.16**	15.33**
Manufacture of dairy products (155)	-2.44*	-2.56*	-0.16	-2.32*	3.47**	0.33	0.21
Manufacture of grain mill products, starches and starch products (156)	10.22**	11.35**	5.34**	11.37**	8.47**	7.73**	8.77**
Manufacture of prepared animal feeds (157)	2.47°	5.85**	1.34	2.52*	-0.83	4.23**	0.19
Manufacture of other food products (158)	2.35**	1.29**	1.43**	1.96**	0.17	3.12**	-0.09
Manufacture of beverages (159)	2.10**	-0.28	2.69**	-0.53	1.45°	4.64**	4.44**
Manufacture of tobacco product (160)	6.59**	5.57**	7.21**	4.48**	6.97**	-1.03	6.53**
Preparation and spinning of textile fibres (171)	-10.78**	-5.52**	-12.62**	-6.56**	-11.04**	-15.23**	-10.27**
Textile weaving (172)	-8.48**	-9.93**	-9.40**	-6.35**	-11.10**	-11.33**	-13.59**
Finishing of textiles (173)	-10.78**	-13.70**	-13.16**	-9.29**	-11.61**	-11.85**	-6.68*
Manufacture of made-up textile articles, except apparel (174)	-14.94**	-13.56**	-13.10**	-12.23**	-19.45**	-14.01**	-15.54**
Manufacture of other textiles (175)	-10.21**	-8.57**	-7.86**	-9.92**	-9.66**	-6.85**	-11.05**
Manufacture of knitted and crocheted articles (177)	-14.94**	-20.41**	-22.64**	-16.57**	-23.09**	-20.79**	-21.85**
Manufacture of other wearing apparel and accessories (182)	-16.28**	-18.55**	-16.71**	-15.15**	-19.30**	-13.40**	-10.75**
Manufacture of luggage, handbags and the like, saddlery and harness (192)	1.08	0.57	-2.77	-5.16*	-10.47**	-13.69**	-6.47*
Manufacture of footwear (193)	-5.47**	-2.62	-9.99**	-9.55**	-13.73**	7.73*	-4.54
Sawmilling and planing of wood, impregnation of wood (201)	-10.32**	-14.71**	-11.60**	-13.33**	-13.39**	-14.38**	-16.27**
Manufacture of veneer sheets; manufacture of plywood, laminboard, particle board, fibre board and other panels and boards (202)	-9.65**	-8.72**	-8.95**	-9.78**	-9.55**	-5.43**	-8.13**
Manufacture of builders' carpentry and joinery (203)	-12.83**	-8.06**	-9.01**	-10.93**	-12.02**	-10.81**	-17.42**
Manufacture of wooden containers (204)	-7.48**	-6.93**	-7.68**	-7.19**	-8.95**	-13.26**	-11.58**
Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials (205)	-16.93**	-15.89**	-15.84**	-11.04**	-11.90**	-14.67**	-20.39**
Manufacture of pulp, paper and paperboard (211)	9.13**	10.30*	8.93**	14.38**	13.54**	14.04**	16.17**
Manufacture of articles of paper and paperboard (212)	3.08**	6.78**	5.43**	3.75**	1.29*	2.25**	2.83**
Publishing (221)	2.37*	5.12**	4.48**	-6.53**	-1.43	2.24*	5.62**
Printing and service activities related to printing (222)	8.85**	8.18**	8.93**	14.26**	11.19**	7.97**	12.78**
Manufacture of refined petroleum products (232)	38.94**	40.26**	41.26**	33.72**	29.30**	36.38**	35.70**
Processing of nuclear fuel (233)	10.79**	9.18**	6.36**	7.02**	2.18	13.89**	15.43**
Manufacture of basic chemicals (241)	19.38**	21.06**	23.70**	19.50**	21.70**	21.70**	27.79**
Manufacture of paints, varnishes and similar coatings, printing ink and mastics (243)	2.82°	9.85**	4.67**	3.16**	3.82**	7.40**	10.44**
Manufacture of pharmaceuticals, medicinal chemicals and botanical product (244)	6.81**	6.82**	11.89**	9.24**	12.74**	13.50**	16.49**
Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations (245)	-1.59	-3.44**	4.27**	-7.55**	-1.79	-3.07°	-4.27**
Manufacture of other chemical products (246)	23.46**	28.14**	24.11**	17.21**	17.14**	24.87**	19.80**
Manufacture of man-made fibres (247)	-0.39	-3.82°	-2.76	-1.41	-4.90**	-0.34	-0.32
Manufacture of rubber products (251)	0.81	-1.66	2.18°	-1.61	-2.18	-5.16**	-4.85*
Manufacture of plastic products (252)	0.61	-1.61°	5.60**	-2.25**	-2.40**	-1.04	2.09**

Manufacture of glass and glass products (261)	-5.64**	-1.88	-5.12**	-0.85	-1.85	-7.29**	-5.70**
Manufacture of non-refractory ceramic goods other than for construction purposes; manufacture of refractory ceramic products (262)	-8.34**	-5.99**	-6.51*	-8.98**	-10.95**	-10.75**	0.19
Manufacture of bricks, tiles and construction products, in baked clay (264)	-1.69	1.02	0.56	0.71	-4.85**	-2.35	-0.79
Manufacture of cement, lime and plaster (265)	12.86**	14.35**	24.97**	22.40**	18.71**	14.91**	16.28**
Manufacture of articles of concrete, plaster and cement (266)	-0.16	3.14**	5.48**	2.15**	3.03**	3.41**	2.79**
Cutting, shaping and finishing of stone (267)	5.51**	-3.00°	-0.88	-1.24	-6.78**	-2.23	-2.89
Manufacture of other non-metallic mineral products (268)	-3.91	-3.93°	2.88	1.90	-2.22	6.67**	-2.83
Manufacture of basic iron and steel and of ferro-alloys (ECSC) (271)	6.46**	-3.46°	-3.26*	-4.04**	-4.40**	2.13	8.53**
Manufacture of tubes (272)	1.49	-0.64	5.34**	4.45**	6.88**	0.25	0.61
Other first processing of iron and steel and production of non-ECSC ferro-alloys (273)	5.67**	-0.59	-4.97**	-1.63	1.47	6.04**	8.24**
Manufacture of basic precious and non-ferrous metals (274)	12.42**	7.47**	13.99**	8.09**	8.13**	11.23**	7.46**
Casting of metals (275)	0.70	4.59**	0.08	-4.97**	1.32°	-0.17	1.20°
Manufacture of structural metal products (281)	-6.55**	-6.44**	-3.91**	-2.59**	-4.15**	-6.69**	-4.06**
Manufacture of tanks, reservoirs and containers of metal; manufacture of central heating radiators and boilers (282)	-3.09°	-2.71*	1.16	-3.12**	-1.98	-1.68	-4.26**
Manufacture of steam generators, except central heating hot water boilers (283)	-7.05**	-8.58**	6.22**	3.04*	-1.27	-4.95**	0.89
Forging, pressing, stamping and roll forming of metal; powder metallurgy (284)	-2.26	1.05	0.17	-4.11**	1.75	-6.81**	2.76°
Treatment and coating of metals; general mechanical engineering (285)	-0.34	2.19**	1.90**	-0.67	0.75	-0.12	-3.64**
Manufacture of cutlery, tools and general hardware (286)	-3.32*	3.18*	-0.63	0.45	0.46	3.49*	9.39**
Manufacture of other fabricated metal products (287)	-4.20**	-4.62**	-1.23	1.27°	0.13	-0.25	-0.87
Manufacture of machinery for the production and use of mechanical power, except aircraft, vehicle and cycle engines (291)	7.56**	6.44**	7.97**	6.74**	5.13**	5.31**	2.88**
Manufacture of other general purpose machinery (292)	-3.77**	-1.36	-2.87**	0.84	-4.58**	2.09*	1.32*
Manufacture of agricultural and forestry machinery (293)	0.29	3.75**	5.65**	6.30**	8.20**	-1.80	0.71
Manufacture of machine-tools (294)	-7.24**	3.06	-0.19	0.90	-2.92°	-3.92*	2.58°
Manufacture of other special purpose machinery (295)	-3.52**	3.81**	-0.33	-1.19	-3.54**	-1.68	0.02
Manufacture of domestic appliances n.e.c. (297)	-4.42**	-5.09**	-5.94**	-4.42**	-9.08**	-8.07**	-8.87**
Manufacture of office machinery and computers (300)	2.96	-0.35	-4.00*	-4.97*	4.01°	-9.27**	-5.19*
Manufacture of electric motors, generators and transformers (311)	-1.60	-4.66**	-1.89	1.27	-3.54*	11.61**	-8.39**
Manufacture of electricity distribution and control apparatus (312)	-2.02	-2.98**	-4.10**	-3.59**	0.64	3.24**	-4.81**
Manufacture of insulated wire and cable (313)	9.82**	13.34**	2.76**	1.51	8.07**	5.18**	8.27**
Manufacture of lighting equipment and electric lamps (315)	0.92	5.45**	7.43**	4.24**	0.27	-0.52	-2.60
Manufacture of electrical equipment n.e.c. (316)	-2.90	-2.93°	-5.31**	-5.63*	-4.59**	-1.25	4.08*
Manufacture of electronic valves and tubes and other electronic components (321)	7.70**	4.10**	7.54**	6.70**	3.55**	9.32**	14.91**
Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy (322)	12.43*	11.76**	14.71**	16.68**	9.61**	9.32**	13.59**
Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods (323)	-3.72*	-4.84**	-2.52	5.40**	-1.05	-4.98**	7.50**
Manufacture of medical and surgical equipment and orthopaedic appliances (331)	-6.29**	-0.12	-4.43	2.05	-0.83	-0.24	2.57°
Manufacture of instruments and appliances for measuring, checking, testing, navigating and other	5.90**	2.37°	8.26**	8.14**	5.72**	1.29	13.40**

purposes, except industrial process control equipment (332)							
Manufacture of industrial process control equipment (333)	-8.38**	-4.24**	-6.00**	-8.17**	-8.90**	-6.76*	-0.55
Manufacture of optical instruments and photographic equipment (334)	-3.67°	0.16	-0.97	-4.32°	-2.01	-2.04	1.77
Manufacture of motor vehicles (341)	7.37**	-0.57	3.11**	4.14**	4.24**	1.46°	5.23**
Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers (342)	-8.53**	-3.51**	-0.99	-3.19**	0.88	1.71*	5.01**
Manufacture of parts and accessories for motor vehicles and their engines (343)	-4.18**	0.17	-0.99	-1.59°	-2.73**	-0.33	-3.56**
Building and repairing of ships and boats (351)	-2.11	5.67**	-0.61	2.65**	-0.31	2.17*	-2.44
Manufacture of railway and tramway locomotives and rolling stock (352)	-4.97**	0.87	1.14*	0.04	0.36	-2.41	2.35
Manufacture of aircraft and spacecraft (353)	4.86**	-4.99**	4.14**	-3.89**	-3.71**	5.39**	-1.94
Manufacture of motorcycles and bicycles (354)	-0.35	-7.60**	-2.73	-8.11**	-9.70**	-5.01*	-4.07
Manufacture of furniture (361)	-15.16**	-12.98**	-13.58**	-11.53**	-14.67**	-15.02**	-13.39**
Manufacture of jewellery and related articles (362)	-21.23**	-10.09**	-20.52**	-22.29**	-17.49**	-25.68**	-24.22**
Manufacture of games and toys (365)	-7.17**	2.77*	-4.69*	-0.91	9.41**	-1.63	6.45*
Miscellaneous manufacturing n.e.c (366)	-6.60**	-7.41**	-7.87**	-10.02**	-13.56**	-16.55**	-20.05**
Recycling of metal waste and scrap (371)	-4.26°	-4.17*	2.29°	-3.21*	5.94**	-5.72**	8.10**
Recycling of non-metal waste and scrap (372)	-9.81**	-4.15	-8.30**	-4.63*	-14.81**	-9.15**	-2.68
Production and distribution of electricity (401)	44.26**	46.38**	41.20**	38.54**	23.95**	42.15**	33.92**
Manufacture of gas; distribution of gaseous fuels through mains (402)	56.90**	53.41**	56.63**	64.08**	45.98**	50.10**	65.50**
Collection, purification and distribution of water (410)	-12.33**	-15.99**	-6.71**	5.67**	-10.40**	-12.01**	-4.38**
Site preparation (451)	0.97	6.94**	1.37	-1.29	1.45	6.07**	-1.38
Building of complete constructions or parts thereof; civil engineering (452)	-2.71**	-1.63*	0.11°	-0.17	-1.07	-2.37**	-4.29**
Building installation (453)	-6.80**	-3.86**	-1.94*	-3.77**	-4.42**	-4.54**	-5.39**
Building completion (454)	-2.73**	-3.17**	0.16	-0.09	-1.45	-2.36**	-2.99**
Renting of construction or demolition equipment with operator (455)	-3.18*	2.65*	-0.33	3.22**	6.76**	6.82**	8.70**
Sale of motor vehicles (501)	1.42*	2.03**	4.17**	5.72**	4.99**	7.21**	4.81**
Maintenance and repair of motor vehicles (502)	4.23**	2.67**	1.22*	3.15**	2.79**	7.58**	1.52*
Sale of motor vehicle parts and accessories (503)	-1.45	0.31	-0.33	0.64	-1.30	-2.81°	-0.76
Sale, maintenance and repair of motorcycles and related parts and accessories (504)	1.76	5.05°	2.63	5.43**	0.44	4.71°	5.84**
Wholesale on a fee or contract basis (511)	14.77**	12.73**	11.26**	11.28**	16.82**	18.46**	12.93**
Wholesale of agricultural raw materials and live animals (512)	-12.82**	-11.78**	-10.87**	-2.15	-2.92	-6.50**	-0.52
Wholesale of food, beverages and tobacco (513)	-3.39**	-3.25**	-5.55**	-3.07**	-3.65**	1.80*	-2.57*
Wholesale of household goods (514)	0.19	4.14**	3.64**	4.95**	4.45**	9.07**	6.45**
Wholesale of non-agricultural intermediate products, waste and scrap (515)	2.70**	4.17**	3.79**	2.01**	2.34**	5.44**	1.87**
Wholesale of machinery, equipment and supplies (516)	4.59**	2.11**	6.77**	3.81**	6.93**	5.16**	4.31**
Retail sale in non-specialised stores (521)	-5.94**	-6.94**	-5.73**	-7.12**	-4.54**	-15.29**	-10.25**
Retail sale of food, beverages and tobacco in specialised stores (522)	-8.28**	-2.92	-3.26	-8.26**	3.74	-12.61**	-8.78**
Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles (523)	-11.89**	-9.20**	-11.53**	-8.33**	-7.30**	-12.88**	-11.08**
Other retail sale of new goods in specialised store (524)	-7.79**	-10.63**	-5.57**	-8.77**	-10.73**	-17.46**	-13.73**
Retail sale of second-hand goods in stores (525)	-9.80**	-14.31**	-25.10**	-16.29**	-15.26**	-7.59	-26.65**
Retail sale not in stores (526)	-17.73**	-8.40**	-9.73**	-13.00**	-11.78**	-21.38**	-10.65**
Repair of personal and household goods (527)	-7.49**	-4.01*	-1.19	-7.46**	-10.28**	4.03	-0.06
Hotels (551)	-19.91**	-18.30**	-19.74**	-21.56**	-17.97**	-19.92**	-26.34*
Camping sites and other provision of short-stay accommodation (552)	-20.82**	-24.10**	-19.47**	-16.93**	-19.58**	-20.43**	-19.91**
Restaurants (553)	-19.49**	-20.12	-18.30**	-22.11**	-17.47**	-21.49**	-25.25**

Bars (554)	-24.24**	-22.95**	-23.12**	-24.82**	-22.83**	-19.70**	-9.79*
Canteens and catering (555)	-20.84**	-18.91**	-18.31**	-15.58**	-17.88**	-22.59**	-21.54**
Other land transport (602)	-8.00**	-5.02**	-9.12**	-7.22**	-8.43**	-5.62**	-10.57**
Scheduled air transport (621)	6.91**	-15.91**	-3.01	-1.79	9.60**	9.19**	1.23
Cargo handling and storage (631)	-0.80	-0.15	-2.87*	-1.56	-3.94*	-1.22	0.66
Other supporting transport activities (632)	-4.07°	4.30*	6.01**	4.71**	11.16**	-3.36°	4.95**
Activities of travel agencies and tour operators; tourist assistance activities n.e.c. (633)	-11.06**	-2.85°	-7.87**	-4.72**	-7.67**	-6.56**	-7.41**
Activities of other transport agencies (634)	8.67**	-0.07	8.82**	6.97**	8.65**	5.92**	6.71**
Post and courier activities (641)	-8.53**	-20.29**	-22.83**	-22.13**	-14.64**	-16.03**	-21.64**
Telecommunications (642)	-5.77**	-0.35	3.69**	5.44**	-0.93	-2.32°	9.51**
Monetary intermediation (651)	14.36**	16.85**	20.84**	11.94**	14.33**	23.14**	20.44**
Other financial intermediation (652)	9.49**	20.67**	14.20**	10.85**	14.74**	10.46**	19.16**
Insurance and pension funding, except compulsory social security (660)	5.29**	7.81**	8.39**	9.69**	8.70**	12.35**	14.42**
Activities auxiliary to financial intermediation, except insurance and pension funding (671)	10.26**	11.90**	14.52**	14.19**	25.85**	8.39**	22.19**
Activities auxiliary to insurance and pension funding (672)	1.85	6.02**	-3.22°	-1.46	1.51	6.04**	5.86**
Real estate activities with own property (701)	20.63**	16.76**	18.42*	25.37**	24.56**	26.94**	25.24**
Letting of own property (702)	2.03	5.16**	1.10	6.97**	-2.78	3.27**	9.81**
Real estate activities on a fee or contract basis (703)	-2.28	-0.52	2.43	3.74*	1.32	5.21*	2.34
Renting of automobiles (711)	7.03**	-0.06	1.35	4.81*	8.16**	5.12**	9.46**
Renting of other machinery and equipment (713)	4.14*	-0.30	3.67**	2.49*	5.44**	1.87	-4.62
Renting of personal and household goods n.e.c. (714)	-11.32**	-10.80**	-10.33**	-14.11**	-8.99**	-13.19**	-21.37**
Hardware consultancy (721)	-0.80	1.85°	3.63**	4.62**	1.85*	2.30*	6.60**
Software consultancy and supply (722)	2.29**	6.35**	1.67*	2.81**	0.64	2.83**	5.21**
Data processing (723)	-4.55*	0.66	-1.61	1.57	2.00	-3.65	8.33**
Data base activities (724)	-1.97	-7.21**	-1.55	-0.89	0.85	1.77	14.50**
Maintenance and repair of office, accounting and computing machinery (725)	-14.15**	-9.78**	-10.19**	-8.58**	-13.58**	-13.76**	-3.33
Other computer related activities (726)	5.19	19.68**	10.27**	1.07	18.38**	14.81**	22.58**
Research and experimental development on natural sciences and engineering (731)	7.35**	-1.28	-0.15	0.01	-2.02	-3.11°	-0.55
Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings (741)	10.58**	6.87**	6.84**	10.03**	11.17**	10.17**	13.79**
Architectural and engineering activities and related technical consultancy (742)	2.11*	-7.16**	-0.86	-5.74**	1.62°	-6.71**	-1.11
Technical testing and analysis (743)	0.47	5.12**	-3.01°	0.44	3.81**	-5.67**	-4.54**
Advertising (744)	-0.83	-8.06**	-16.27**	-8.25**	0.54	0.44	-2.60
Labour recruitment and provision of personnel (745)	-12.49**	-11.48**	-19.56**	6.40**	0.03	5.49**	-0.65
Investigation and security activities (746)	-19.12**	-9.54**	-15.08**	-4.60**	-15.26**	-13.78**	-14.80**
Industrial cleaning (747)	-4.91**	-6.21**	-10.73**	-6.13**	-9.03**	-8.28**	-20.22**
Miscellaneous business activities n.e.c (748)	11.94**	1.07	-0.79	-4.62**	-4.18**	-3.30*	-6.32**
Adjusted R^2 of wage regression	0.66	0.65	0.63	0.64	0.62	0.66	0.62
F-test relative to the estimated wage regression	579.1**	588.7**	569.2**	532.4**	505.8**	510.1**	443.8**
F-test relative to the sectoral dummies	61.1**	56.8**	66.6**	62.8**	57.4**	49.9**	61.4**
Per cent significant industry wage differentials at the 10% level	74.8 (116/155)	75.5 (117/155)	73.5 (114/155)	78.7 (122/155)	73.5 (114/155)	79.4 (123/155)	76.8 (119/115
Range of industry wage differentials	81.1	77.5	80.7	88.9	69.1	75.7	92.7
Weighted adjusted standard deviation (WASD) of the inter-industry differentials	0.093	0.097	0.107	0.085	0.088	0.102	0.113
Number of industries	155	155	155	155	155	155	155
Number of observations	102,563	106,341	106,575	104,409	100,329	94,909	95,930

Notes: Standard errors of the industry wage differentials are computed according to Zanchi (1992). **/*/°: industry wage differential significant at the 1, 5 and 10%, respectively.

Appendix 3: Pearson / Spearman Correlation Coefficients Between Inter-Industry Wage Differentials, NACE 3-digit (n=155), (SES data)

Period:	1999	2000	2001	2002	2003	2004
2000	0.882** / 0.815**					
2001	0.900** / 0.845**	0.911** / 0.851**				
2002	0.868** / 0.757**	0.873** / 0.796**	0.905** / 0.841**			
2003	0.868** / 0.803**	0.864** / 0.807**	0.889** / 0.862**	0.892** / 0.834**		
2004	0.890** / 0.817**	0.857** / 0.779**	0.857** / 0.784**	0.880** / 0.806**	0.868** / 0.798**	
2005	0.831** / 0.757**	0.8500** / 0.794**	0.874** / 0.808**	0.884** / 0.827**	0.878** / 0.831**	0.877** / 0.823**

Notes: Computation based on the inter-industry wage differentials reported in Appendix 2.
n stands for the number of sectors. **/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively

Appendix 4: Inter-Industry Wage Differentials After Controlling for Rent-Sharing, in Percentage Terms, 2000-2005 (SES-SBS data)

Industry (Nace 3-digit) / Data set:	2000	2001	2002	2003	2004	2005
Quarrying of stone (141)	-5,30	-4,91**	-3.77	-1.68	-1.82°	-3.92
Quarrying of sand and clay (142)	-2,66	1,77	-1.19	9.88**	6.00°	3.14
Production, processing and preserving of meat and meat products (151)	1,53	-2,38	-2.45	-2.68	-0.36	-3.56°
Processing and preserving of fish and fish products (152)	-4,95	-5,29**	-4.82*	-7.75°	-8.08**	-4.60
Processing and preserving of fruit and vegetables (153)	-3,42	-3,11	-5.06	-4.56*	-6.37*	-7.56**
Manufacture of vegetable and animal oils and fats (154)	0,05	6,11	8.98	6.42	7.86	11.51
Manufacture of dairy products (155)	-1,69	-5,26*	-4.74*	3.32°	-0.61	1.22
Manufacture of grain mill products, starches and starch products (156)	1,43	-5,39	10.29	2.64	6.34°	9.03**
Manufacture of prepared animal feeds (157)	0,69	-1,91	5.96**	-2.26	-0.28	-1.75
Manufacture of other food products (158)	-1,86	1,46	3.84	-0.01	2.18	1.06
Manufacture of beverages (159)	-1,70	-0,96	-2.06	-0.84	-0.18	0.57
Manufacture of tobacco product (160)	-2,21	-0,05	-1.30	3.47	-2.30	2.44
Preparation and spinning of textile fibres (171)	-12,69**	-13,43**	-7.43*	-8.83**	-11.35**	-5.67*
Textile weaving (172)	-11,24**	-11,26**	-4.90*	-7.73**	-8.67**	-9.54**
Finishing of textiles (173)	-16,84**	-13,10**	-3.57	-11.74**	-10.44**	-4.12
Manufacture of made-up textile articles, except apparel (174)	-11,77*	-7,40*	-7.35	-12.08**	-10.99**	-9.51**
Manufacture of other textiles (175)	-11,41**	-8,56**	-8.83**	-9.71**	-5.88**	-7.68**
Manufacture of knitted and crocheted articles (177)	9,27*	n.a.	-19.20**	-18.46**	-8.48**	-10.00**
Manufacture of other wearing apparel and accessories (182)	-6,95	-12,35	-9.20	-18.41**	-12.79*	-13.18**
Manufacture of luggage, handbags and the like, saddlery and harness (192)	-0,89	-5,00**	-3.34*	-7.18**	-10.33**	-6.80**
Manufacture of footwear (193)	-7,40	-6,00**	-5.70*	-15.38*	2.52	-9.25*
Sawmilling and planing of wood, impregnation of wood (201)	-15,87**	-10,89**	-17.03**	-17.42**	-12.20**	-16.89**
Manufacture of veneer sheets; manufacture of plywood, laminboard, particle board, fibre board and other panels and boards (202)	-10,90**	-13,29**	-10.45**	-11.62**	-9.30*	-13.74**
Manufacture of builders' carpentry and joinery (203)	-7,59	-8,64*	-8.93**	-11.11**	-13.95**	-17.20**
Manufacture of wooden containers (204)	-11,32**	-14,48**	-10.25**	-10.10**	-13.53**	-9.37**
Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials (205)	-19,73**	-14,19**	-6.37**	-8.89	-10.91**	-20.34**
Manufacture of pulp, paper and paperboard (211)	-2,83	-0,27	4.98*	11.70	11.56	15.06°
Manufacture of articles of paper and paperboard (212)	2,34	-0,88	2.55	-0.07	0.81	0.43
Publishing (221)	3,23	0,56	-2.27	-2.51	1.36	2.75
Printing and service activities related to printing (222)	5,81°	9,84°	16.79**	13.62**	10.13*	13.13**
Manufacture of refined petroleum products (232)	25,07**	24,44**	30.44**	22.91**	24.59**	19.84**
Processing of nuclear fuel (233)	5,93	1,53	-0.84	7.72	11.31**	10.94°
Manufacture of basic chemicals (241)	13,14**	17,26**	18.11**	19.04**	17.17**	19.78**
Manufacture of paints, varnishes and similar coatings, printing ink and mastics (243)	-4,41	0,23	6.30	1.59	4.90*	10.76**
Manufacture of pharmaceuticals, medicinal chemicals and botanical product (244)	0,68	0,82	5.04*	5.67	8.07°	7.90°
Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations (245)	-7,58*	1,00	-9.60**	-3.26	-2.77	-5.50*
Manufacture of other chemical products (246)	27,08**	19,44**	21.38**	16.82**	9.05*	15.65**
Manufacture of man-made fibres (247)	-8,65*	-6,88*	-1.98	-5.45	-0.37	2.70
Manufacture of rubber products (251)	-4,00	2,81	-1.04	-3.36	-7.98°	-4.70°
Manufacture of plastic products (252)	-5,12°	0,81	-0.76	-4.79°	-4.47	1.29
Manufacture of glass and glass products (261)	-5,28*	-6,01*	5.06	2.73	-6.12*	-1.76

Manufacture of non-refractory ceramic goods other than for construction purposes; manufacture of refractory ceramic products (262)	-15,56**	-9,00**	-2.88	-8.27**	-11.14**	-4.31*
Manufacture of bricks, tiles and construction products, in baked clay (264)	-0,98	-2,77	0.79	-5.82*	-4.69	-5.41*
Manufacture of cement, lime and plaster (265)	5,77**	15,40**	15.19*	13.08**	3.90	8.65
Manufacture of articles of concrete, plaster and cement (266)	-0,49	5,87*	2.91	3.89	2.93	3.80°
Cutting, shaping and finishing of stone (267)	-9,59**	-3,45	0.62	-10.34*	2.38	0.38
Manufacture of other non-metallic mineral products (268)	0,60	-10,88**	-1.90	-6.83	5.25	-4.21
Manufacture of basic iron and steel and of ferro-alloys (ECSC) (271)	-5,18	32,66**	13.77	16.71**	20.91**	5.14
Manufacture of tubes (272)	-2,30	-1,82	0.48	11.85**	4.12	-3.11
Other first processing of iron and steel and production of non-ECSC ferro-alloys (273)	-4,34	-5,62	-4.64	0.92	5.20°	4.15
Manufacture of basic precious and non-ferrous metals (274)	-0,66	8,45**	10.96**	11.08**	10.41*	7.03*
Casting of metals (275)	5,85	2,63	-2.03	3.98°	1.14	4.44
Manufacture of structural metal products (281)	-7,30*	-3,89	-2.44	-3.61	-3.31	-2.80
Manufacture of tanks, reservoirs and containers of metal; manufacture of central heating radiators and boilers (282)	-1,71	3,95	-6.45**	-3.21	3.03	-4.75
Manufacture of steam generators, except central heating hot water boilers (283)	6,86**	4,28	3.09	0.98	-6.20	7.61**
Forging, pressing, stamping and roll forming of metal; powder metallurgy (284)	-4,76**	1,47	-6.04	-1.85	-6.77°	-2.90
Treatment and coating of metals; general mechanical engineering (285)	-2,91	2,34	-0.15	3.38	-3.20	-3.57
Manufacture of cutlery, tools and general hardware (286)	-5,86	0,84	-2.27	-3.67	-1.52	6.98°
Manufacture of other fabricated metal products (287)	-18,97**	-5,84	-4.98**	-5.31**	-1.11	-1.99
Manufacture of machinery for the production and use of mechanical power, except aircraft, vehicle and cycle engines (291)	1,29	2,66	8.06**	3.82**	3.95**	0.55
Manufacture of other general purpose machinery (292)	-3,34	-6,32**	-0.88	-3.35	1.20	-0.66
Manufacture of agricultural and forestry machinery (293)	4,09	5,98	11.56*	-4.59°	-1.82	3.32
Manufacture of machine-tools (294)	1,31	0,87	-0.64	-4.98**	-7.81**	4.03
Manufacture of other special purpose machinery (295)	-0,92	-0,91	0.15	0.58	2.84	1.97
Manufacture of domestic appliances n.e.c. (297)	-7,89°	-6,58*	-0.84	-7.97*	-7.85*	-7.05
Manufacture of office machinery and computers (300)	-6,05	-5,76**	-6.44	-5.68	-10.97**	-4.40
Manufacture of electric motors, generators and transformers (311)	-2,97	-8,92*	-2.78	5.14	-3.27	-1.06
Manufacture of electricity distribution and control apparatus (312)	-3,44	-5,48*	-6.04°	0.95	2.97	-3.82*
Manufacture of insulated wire and cable (313)	7,96**	0,11	12.58**	11.80**	15.69**	9.74*
Manufacture of lighting equipment and electric lamps (315)	4,27	3,27	2.86	-2.37	-0.65	-2.34
Manufacture of electrical equipment n.e.c. (316)	2,95	2,60	-8.51**	-2.29	3.16	5.86
Manufacture of electronic valves and tubes and other electronic components (321)	2,32	11,90**	11.77**	1.21	5.20°	13.62*
Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy (322)	2,67	-6,28**	4.88°	12.11*	9.00*	10.75**
Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods (323)	-4,75*	-5,30**	-5.81**	-2.74*	-7.76**	2.94*
Manufacture of medical and surgical equipment and orthopaedic appliances (331)	-3,24	-2,85	7.82	-1.66	6.25	2.32
Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control equipment (332)	-2,93	-1,50	10.25°	5.91	-0.61	10.19*

Manufacture of industrial process control equipment (333)	-7,30	-3,78	-7.27	-1.45	0.92	1.43
Manufacture of optical instruments and photographic equipment (334)	-5,96**	-3,90	-2.79	-4.49	-4.89	-0.90
Manufacture of motor vehicles (341)	-1,86	2,06	9.56**	10.15**	6.83	5.57**
Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers (342)	-3,98*	-4,67**	-2.63	3.31	6.24°	8.18
Manufacture of parts and accessories for motor vehicles and their engines (343)	-3,59	-5,00°	0.34	-1.72	-0.40	-3.96
Building and repairing of ships and boats (351)	5,49	6,03	0.74	7.78**	8.33*	14.87**
Manufacture of railway and tramway locomotives and rolling stock (352)	-4,71*	0,19	-17.40**	-0.02	16.32*	15.47**
Manufacture of aircraft and spacecraft (353)	-6,46	-4,75	-1.23	-5.13	0.82	0.18
Manufacture of motorcycles and bicycles (354)	-8,28*	-5,06	-6.73	-5.96	-3.07	-7.20
Manufacture of furniture (361)	-15,16**	-13,53**	-13.84**	-15.97**	-15.17**	-13.07**
Manufacture of jewellery and related articles (362)	-14,15**	-18,15*	-26.12**	-9.06	-18.13**	-14.65*
Manufacture of games and toys (365)	-3,59	-16,13**	-6.49*	11.12**	0.72	-2.31
Miscellaneous manufacturing n.e.c (366)	-0,98	-9,70**	-7.40*	-11.70**	-17.43**	-15.53**
Recycling of metal waste and scrap (371)	-13,06**	-3,11	-7.57**	-1.78	-4.60*	0.19
Recycling of non-metal waste and scrap (372)	-8,67*	-17,87**	-10.45*	-7.34**	-3.03	-4.66
Production and distribution of electricity (401)	31,32**	28,06**	33.47**	48.49**	86.60**	24.22**
Manufacture of gas; distribution of gaseous fuels through mains (402)	29,62**	36,96**	50.02**	33.56**	34.32**	43.46**
Collection, purification and distribution of water (410)	-22,00**	-10,68**	-20.67**	-15.80**	-14.57**	-9.12**
Site preparation (451)	0,65	13,66**	10.34*	2.79	2.68	-4.13**
Building of complete constructions or parts thereof; civil engineering (452)	-1,10	-1,37	0.88	0.39	-1.48	-2.84*
Building installation (453)	-3,69	-2,78	0.24	-2.90	-3.28	-1.29
Building completion (454)	3,06	4,12*	3.11°	4.28*	1.95	-1.02
Renting of construction or demolition equipment with operator (455)	-16,24**	-2,32	2.63	10.18	-0.92	11.78**
Sale of motor vehicles (501)	2,48	2,90	5.35*	3.43°	8.24**	1.00
Maintenance and repair of motor vehicles (502)	3,19	-0,30	6.00	1.15	13.54**	0.98
Sale of motor vehicle parts and accessories (503)	-0,32	4,40	-6.94°	-5.84°	1.09	-7.22**
Sale, maintenance and repair of motorcycles and related parts and accessories (504)	6,31	4,23	4.93**	-2.09	8.48*	5.20
Wholesale on a fee or contract basis (511)	15,64**	21,83**	22.27**	16.12**	0.34	12.89**
Wholesale of agricultural raw materials and live animals (512)	-11,20**	-8,27	-2.28	-4.01	-4.84	0.03
Wholesale of food, beverages and tobacco (513)	-2,42	-6,32*	-7.41*	-7.32**	2.66	-6.26*
Wholesale of household goods (514)	1,96	7,76**	6.42*	2.49	5.92**	4.31*
Wholesale of non-agricultural intermediate products, waste and scrap (515)	0,42	0,35	-0.81	-0.94	1.06	0.64
Wholesale of machinery, equipment and supplies (516)	-3,04	3,54°	2.02	4.17	3.71*	9.02**
Retail sale in non-specialised stores (521)	3,11	-5,28	-10.32*	-5.32**	-11.43**	-5.95*
Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles (523)	-4,98	-12,87*	-9.87*	-8.05*	-12.46**	-10.36*
Other retail sale of new goods in specialised store (524)	-10,53**	-7,62*	-11.86**	-11.97**	-16.91**	-16.05**
Retail sale of second-hand goods in stores (525)	-5,07	-17,75	-16.20**	-27.05**	-26.95**	-30.88**
Retail sale not in stores (526)	-8,54	-9,27°	-17.30**	-15.52**	-22.38**	-14.76**
Repair of personal and household goods (527)	0,18	7,94**	-3.58	-9.44**	10.54**	4.13
Hotels (551)	-20,07**	-25,07**	-25.65**	-19.55**	-20.69**	-24.32**
Camping sites and other provision of short-stay accommodation (552)	-20,29**	-23,08**	-25.68**	-13.96**	-13.72**	-16.46**
Restaurants (553)	-13,81**	-10,42	-24.35**	-15.00**	-17.18**	-20.67**
Bars (554)	-23,65**	-22,49**	-30.34**	-22.59**	-18.84**	6.18
Canteens and catering (555)	-15,41*	-19,24**	-13.57**	-17.16**	-17.99**	-18,68**
Other land transport (602)	5,64°	-6,17*	-7.29**	-4.81°	-1.82	-2.74
Scheduled air transport (621)	4,26**	7,74**	14.05	13.76	16.98**	-0.97

Cargo handling and storage (631)	-5,09	-10,15*	-1.77	-4.75°	0.13	-1.93
Other supporting transport activities (632)	7,84	-8,18	17.68°	25.21*	-9.40	2.81
Activities of travel agencies and tour operators; tourist assistance activities n.e.c. (633)	-6,32	-12,62**	-7.21	-10.12*	-11.19**	-12.98**
Activities of other transport agencies (634)	-2,08	6,84	8.17	6.73	11.64*	8.83*
Post and courier activities (641)	7,02**	-8,08**	-2.87	-6.53**	2.01	-2.80
Telecommunications (642)	4,06	7,12	1.09	3.43	-4.22	-2.50
Other financial intermediation (652)	-12,30**	1,61	-3.91	7.24	-0.81	15.77**
Activities auxiliary to financial intermediation, except insurance and pension funding (671)	1,38	-1,48	0.52	4.94	4.89	8.65
Activities auxiliary to insurance and pension funding (672)	-2,60	-7,04*	-2.66	-2.83	1.89	3.20
Real estate activities with own property (701)	29,07**	28,10**	11.43	20.27**	2.89	1.71
Letting of own property (702)	-5,74	-11,19*	-8.45	-11.62*	-4.79	-2.08
Real estate activities on a fee or contract basis (703)	-9,41	1,90	-1.34	3.12	1.03	5.77
Renting of automobiles (711)	-4,21	-12,11**	-4.47	-1.17	-9.85**	-2.85
Renting of other machinery and equipment (713)	-5,20°	-0,47	-1.85	-2.44	-5.62°	-15.93*
Renting of personal and household goods n.e.c. (714)	-19,39**	-16,48**	-12.80*	-11.73*	-16.28**	-19.39°
Hardware consultancy (721)	-2,83	-1,26	9.53*	4.67	11.75**	1.46
Software consultancy and supply (722)	3,44	-2,59	0.15	-1.10	2.61	1.15
Data processing (723)	0,56	-1,32	1.70	7.53**	9.40	-1.00
Data base activities (724)	-15,59**	-5,26°	-6.80°	-4.41*	-2.98	9.57*
Maintenance and repair of office, accounting and computing machinery (725)	-13,84**	-9,30°	-6.78	-10.65**	-6.91*	-5.04*
Other computer related activities (726)	8,46	0,50	-4.63	-0.50	15.60**	19.38**
Research and experimental development on natural sciences and engineering (731)	11,23°	-3,35	3.89	2.79	2.84	-0.30
Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings (741)	4,98°	5,07	7.25**	7.36*	10.65**	11.08**
Architectural and engineering activities and related technical consultancy (742)	-9,80**	1,84	-7.35**	-5.17*	-0.63	-5.32°
Technical testing and analysis (743)	8,25	-2,20	15.45**	8.47*	1.26	1.48
Advertising (744)	-20,58**	-3,48	-13.29	4.25*	-7.62	-2.42
Labour recruitment and provision of personnel (745)	-5,16	0,64	-4.24	-1.35	-0.52	-0.12
Investigation and security activities (746)	3,60	-25,43**	0.11	-9.93**	-12.54*	-10.22**
Industrial cleaning (747)	-1,39	-6,86*	-3.16	-4.40*	-1.32	-12.52**
Miscellaneous business activities n.e.c (748)	-3,41	-2,35	-9.38**	-9.60*	-8.67*	-3.87
Adjusted R^2 of wage regression	0.64	0.63	0.65	0.61	0.64	0.60
F-test relative to the estimated wage regression	15,743.1**	101.2**	3,485.4**	911.2**	784.2**	1,042.7**
F-test relative to the sectoral dummies	36.08**	34.63**	37.75**	12.69**	33.46**	19.13**
Per cent significant industry wage differentials at the 10% level	40.4 (61/151)	48.7 (73/150)	47.7 (72/151)	53.0 (80/151)	51.7 (78/151)	50.3 (76/151)
Range of industry wage differentials	54.97	62.39	80.36	75.53	113.54	74.34
Weighted adjusted standard deviation (WASD) of the inter-industry differentials	0.079	0.085	0.084	0.072	0.076	0.077
Number of industries	151	150	151	151	151	151
Number of observations	37,574	49,136	51,680	52,808	50,720	56,310

Notes: Standard errors of the industry wage differentials are computed according to Zanchi (1992). **/*/°: industry wage differential significant at the 1, 5 and 10%, respectively.

Appendix 5: Pearson / Spearman Correlation Coefficients Between Inter-Industry Wage Differentials After Controlling for Rent-Sharing, NACE two-digit (n=42), (SES-SBS data)

Period:	2000	2001	2002	2003	2004
2001	0.788** / 0.646**				
2002	0.849** / 0.736**	0.912** / 0.831**			
2003	0.784** / 0.621**	0.904** / 0.797**	0.911** / 0.830**		
2004	0.807** / 0.713**	0.893** / 0.748**	0.913** / 0.848**	0.935** / 0.814**	
2005	0.702** / 0.517**	0.865** / 0.756*	0.892** / 0.758**	0.875** / 0.793**	0.848** / 0.810**

Notes: Computation based on the inter-industry wage differentials reported in Table 10.
n stands for the number of sectors. **/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively.

Appendix 6: Pearson / Spearman Correlation Coefficients Between Inter-Industry Wage Differentials After Controlling for Rent-Sharing, NACE three-digit (n=151), (SES-SBS data)

Period:	2000	2001	2002	2003	2004
2001	0.706** / 0.634**				
2002	0.740** / 0.695**	0.774** / 0.695**			
2003	0.672** / 0.629**	0.760** / 0.709**	0.826** / 0.775**		
2004	0.649** / 0.635**	0.734** / 0.699**	0.735** / 0.690**	0.799** / 0.748**	
2005	0.564** / 0.533**	0.697** / 0.667*	0.696** / 0.671**	0.773** / 0.763**	0.780** / 0.748**

Notes: Computation based on the inter-industry wage differentials reported in Appendix 4.
n stands for the number of sectors. **/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively.

Appendix 7: Pearson / Spearman Correlation Coefficients Between Inter-Industry Wage Differentials, NACE two-digit (n=42), (SES-SBS data)

Period:	2000	2001	2002	2003	2004
2001	0.839** / 0.718**				
2002	0.898** / 0.812**	0.899** / 0.787**			
2003	0.817** / 0.695**	0.932** / 0.866**	0.901** / 0.846**		
2004	0.855** / 0.741**	0.926** / 0.890**	0.918** / 0.843**	0.948** / 0.894**	
2005	0.777** / 0.632**	0.889** / 0.821*	0.850** / 0.747**	0.892** / 0.847**	0.855** / 0.839**

Notes: Computation based on the inter-industry wage differentials reported in Appendix 9.
n stands for the number of sectors. **/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively.

Appendix 8: Pearson / Spearman Correlation Coefficients Between Inter-Industry Wage Differentials, NACE three-digit (n=151), (SES-SBS data)

Period:	2000	2001	2002	2003	2004
2001	0.818** / 0.729**				
2002	0.815** / 0.763**	0.841** / 0.766**			
2003	0.758** / 0.741**	0.824** / 0.766**	0.857** / 0.826**		
2004	0.739** / 0.700**	0.811** / 0.760**	0.790** / 0.738**	0.853** / 0.784**	
2005	0.668** / 0.649**	0.771** / 0.724*	0.750** / 0.728**	0.818** / 0.813**	0.809** / 0.797**

Notes: Computation based on the inter-industry wage differentials reported in Appendix 10.
n stands for the number of sectors. **/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively.

Appendix 9: Inter-Industry Wage Differentials at the NACE two-digit level, in Percentage Terms, 2000-2005 (SES-SBS data)

Industry (NACE two-digit) / Period:	2000	2001	2002	2003	2004	2005
Other mining and quarrying (14)	-1,85	1,60	1,49	6,19**	4,17*	4,03*
Manufacture of food products and beverages (15)	0,09	1,55**	2,16**	2,15**	2,99**	1,53**
Manufacture of tobacco products (16)	0,25	3,30*	0,03	9,10**	-0,48	6,68**
Manufacture of textiles (17)	-13,22**	-10,65**	-8,06**	-9,16**	-8,90**	-9,78**
Manufacture of wearing apparel; dressing and dyeing of fur (18)	-4,61	-10,05**	-4,23°	-18,58**	-12,74**	-12,95**
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear (19)	-2,37	-7,75**	-4,97*	-9,76**	-6,76**	-5,23*
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (20)	-12,48**	-10,91**	-9,54**	-10,22**	-9,08**	-15,31**
Manufacture of pulp, paper and paper products (21)	2,49**	1,59°	4,86**	4,46**	4,84**	5,09**
Publishing, printing and reproduction of recorded media (22)	4,85**	4,92**	9,44**	7,31**	6,50**	9,34**
Manufacture of coke, refined petroleum products and nuclear fuel (23)	24,91**	25,11**	24,50**	25,97**	30,60**	28,74**
Manufacture of chemicals and chemical products (24)	14,80**	15,38**	14,39**	15,10**	16,25**	17,64**
Manufacture of rubber and plastic products (25)	-3,79**	1,03°	-0,74	-3,64**	-4,06**	0,90
Manufacture of other non-metallic mineral products (26)	-3,46**	0,31	3,69**	3,73**	-0,32	1,03°
Manufacture of basic metals (27)	-2,60*	7,95**	6,68**	9,15**	15,06**	6,44**
Manufacture of fabricated metal products, except machinery and equipment (28)	-8,34**	-2,25**	-3,32**	-2,30**	-4,22**	-3,34**
Manufacture of machinery and equipment n.e.c. (29)	0,88*	-1,55°	2,03**	-1,17	1,30*	-0,27
Manufacture of office machinery and computers (30)	-5,46°	-5,22°	-6,53**	-6,99*	-10,21**	-5,82**
Manufacture of electrical machinery and apparatus n.e.c. (31)	-0,87	-2,73**	-2,80*	-1,06	-0,42	-3,28**
Manufacture of radio, television and communications equipment and apparatus (32)	3,75**	2,38**	4,54**	-0,82	4,40**	10,22**
Manufacture of medical, precision and optical instruments, watches and clocks (33)	-3,81**	-5,52**	1,58°	0,04	-1,10	4,83**
Manufacture of motor vehicles, trailers and semi-trailers (34)	-3,84**	-2,07**	4,36**	5,26**	2,05**	2,92**
Manufacture of other transport equipment (35)	-5,82**	-2,20*	-8,90**	-4,71**	2,92*	-1,96
Manufacture of furniture; manufacturing n.e.c. (36)	-14,28**	-15,39**	-15,21**	-14,12**	-16,50**	-14,94**
Recycling (37)	-8,47**	-8,75**	-6,10**	-1,74	-0,90	3,83*
Electricity, gas, steam and hot water supply (40)	42,46**	37,01**	39,40**	53,12**	80,40**	32,68**
Collection, purification and distribution of water (41)	-19,61**	-8,09**	-10,80**	-12,00**	-11,14**	-5,35**
Construction (45)	-5,44**	-3,55**	-0,98	-1,87**	-3,77**	-4,38**
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel (50)	4,81**	4,34**	4,43**	4,14**	9,60**	0,94°
Wholesale trade and commission trade, except of motor vehicles and motorcycles (51)	0,62	3,46**	2,26**	2,59**	5,69**	3,50**
Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods (52)	-4,79**	-6,86**	-9,67**	-6,08**	-11,71**	-8,38**

Hotels and restaurants (55)	-19,68**	-16,83**	-20,52**	-16,21**	-18,72**	-19,74**
Land transport; transport via pipelines (60)	2,02**	-9,12**	-7,15**	-7,31**	-5,16**	-7,24**
Air transport (62)	5,03	12,00°	13,94*	15,83*	21,76**	-0,05
Supporting and auxiliary transport activities; activities of travel agencies (63)	-5,14**	-4,57**	2,43**	3,09**	-0,25	0,63
Post and telecommunications (64)	6,72**	8,74**	2,37*	3,89**	3,07**	5,01**
Financial intermediation, except insurance and pension funding (65)	-7,63**	9,61**	-3,78	13,58**	7,60**	15,19**
Activities auxiliary to financial intermediation (67)	4,66*	-3,39°	2,72°	6,06**	5,97**	9,63**
Real estate activities (70)	-3,17	-1,48	3,15	-0,54	2,92*	6,65**
Renting of machinery and equipment without operator and of personal and household goods (71)	0,51	-2,53	4,52**	4,91**	1,39	-3,81°
Computer and related activities (72)	-4,38**	-6,01**	-0,05	-2,09°	0,28	-0,42
Research and development (73)	13,64**	-2,46	4,50**	0,13	0,87	-1,22
Other businesses activities (74)	-8,99**	-7,51**	-2,79**	-4,54**	-5,15**	-7,22**
Adjusted R^2 of the wage regression	0.61	0.60	0.63	0.58	0.62	0.57
F-test relative to the wage regression	439.8**	552.1*	598.4**	511.7**	567.6**	439.8**
F-test relative to the sectoral dummies	80.0**	84.1**	87.5**	77.8**	75.3**	80.0**
Per cent significant industry wage differentials at the 10 per cent level	76.2 (32/42)	88.1 (37/42)	83.3 (35/42)	83.3 (35/42)	78.6 (33/42)	83.3 (35/42)
Range of industry wage differentials	62.1	53.8	59.9	71.7	99.1	52.4
Weighted adjusted standard deviation (WASD) of the inter-industry differentials	0.100	0.088	0.080	0.070	0.082	0.084
Number of industries	42	42	42	42	42	42
Number of observations	37,574	49,136	51,680	52,808	50,720	56,310

Notes: Standard errors of the industry wage differentials have been computed according to Zanchi (1992). **/*/°: industry wage differential significant at the 1, 5 and 10 per cent level, respectively.

Appendix 10: Inter-Industry Wage Differentials at the NACE three-digit level, in Percentage Terms, 2000-2005 (SES-SBS data)

Industry (Nace 3-digit) / Data set:	2000	2001	2002	2003	2004	2005
Quarrying of stone (141)	-2,24	0,24	0,80	2,60	2,37	1,97
Quarrying of sand and clay (142)	3,45*	9,06**	5,35**	17,78**	12,82**	10,44**
Production, processing and preserving of meat and meat products (151)	1,12	-1,48	-2,55*	-2,25*	0,01	-5,16**
Processing and preserving of fish and fish products (152)	-9,71**	-7,24**	-4,45*	-1,27	-6,52	-5,15
Processing and preserving of fruit and vegetables (153)	-1,53	-0,03	-1,95	-1,66	-2,94°	-5,25**
Manufacture of vegetable and animal oils and fats (154)	1,44	9,80**	12,55**	10,72**	10,45**	14,65**
Manufacture of dairy products (155)	-2,92*	-4,13**	-3,76**	5,23**	0,01	0,80
Manufacture of grain mill products, starches and starch products (156)	4,85**	-3,64	13,30**	7,80**	11,06**	8,56**
Manufacture of prepared animal feeds (157)	1,29	-0,66	7,28**	0,06	1,40	-0,52
Manufacture of other food products (158)	-0,03	2,97**	4,72**	2,11**	4,56**	2,60**
Manufacture of beverages (159)	0,39	2,48**	0,61	3,57**	5,16**	5,29**
Manufacture of tobacco product (160)	-0,04	3,07*	-0,54	8,21**	-0,38	5,88**
Preparation and spinning of textile fibres (171)	-16,38**	-16,14**	-10,51**	-10,84**	-14,39**	-10,47**
Textile weaving (172)	-12,30**	-12,54**	-6,09**	-9,09**	-10,33**	-12,84**
Finishing of textiles (173)	-18,07**	-14,09**	-6,73**	-11,36**	-10,24**	-4,40
Manufacture of made-up textile articles, except apparel (174)	-13,90**	-9,83**	-7,98**	-11,86**	-13,66**	-12,43**
Manufacture of other textiles (175)	-11,63**	-7,63**	-8,41**	-7,72**	-6,14**	-9,39**
Manufacture of knitted and crocheted articles (177)	11,64	n.a.	-22,13**	-20,57**	-15,02**	-11,28*
Manufacture of other wearing apparel and accessories (182)	-5,61*	-10,50**	-4,95*	-19,29**	-13,14**	-13,82**
Manufacture of luggage, handbags and the like, saddlery and harness (192)	-1,64	-5,27	-2,92	-6,85*	-11,34**	-5,80°
Manufacture of footwear (193)	-11,42**	-14,43**	-7,09**	-14,53**	7,77*	-3,90
Sawmilling and planing of wood, impregnation of wood (201)	-18,02**	-15,02**	-14,85**	-18,34**	-11,62**	-18,74**
Manufacture of veneer sheets; manufacture of plywood, laminboard, particle board, fibre board and other panels and boards (202)	-6,75**	-9,96**	-8,18**	-6,81**	-3,84°	-10,29**
Manufacture of builders' carpentry and joinery (203)	-9,54**	-7,93**	-9,20**	-10,89**	-13,15**	-20,59**
Manufacture of wooden containers (204)	-13,97**	-13,56**	-10,49**	-9,91**	-13,63**	-10,50**
Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials (205)	-22,64**	-17,70**	-16,16**	-9,54**	-14,05**	-20,17**
Manufacture of pulp, paper and paperboard (211)	0,65	3,30*	6,63**	12,00**	11,06**	14,36**
Manufacture of articles of paper and paperboard (212)	3,04**	1,16	4,89**	2,82**	3,65**	2,16**
Publishing (221)	5,43**	1,71	0,51	0,00	2,57*	6,01**
Printing and service activities related to printing (222)	2,41*	7,94**	16,66**	14,06**	9,93**	12,46**
Manufacture of refined petroleum products (232)	38,93**	37,31**	38,72**	32,85**	37,80**	33,07**
Processing of nuclear fuel (233)	5,72**	3,35*	-0,71	7,86**	14,44**	17,63**
Manufacture of basic chemicals (241)	20,34**	23,02**	22,49**	24,07**	23,67**	25,84**
Manufacture of paints, varnishes and similar coatings, printing ink and mastics (243)	-2,21	3,75*	5,80**	3,95**	7,21**	13,32**
Manufacture of pharmaceuticals, medicinal chemicals and botanical product (244)	7,24**	8,06**	10,95**	11,88**	16,43**	15,87**
Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations (245)	-5,75**	3,07**	-9,64**	-0,70	-2,06	-4,02**
Manufacture of other chemical products (246)	35,17**	25,98**	26,56**	21,83**	20,15**	19,83**
Manufacture of man-made fibres (247)	-8,71**	-6,03**	-0,62	-4,28**	0,64	0,69
Manufacture of rubber products (251)	-2,73°	1,14	-2,09	-1,93	-5,41**	-3,23
Manufacture of plastic products (252)	-3,70**	1,51*	-0,18	-3,28**	-3,41**	1,78**
Manufacture of glass and glass products (261)	-5,88**	-6,15**	2,22*	1,40	-5,93**	-2,60°

Manufacture of non-refractory ceramic goods other than for construction purposes; manufacture of refractory ceramic products (262)	-15,92**	-6,47**	-1,79	-4,20*	-8,63**	-2,09
Manufacture of bricks, tiles and construction products, in baked clay (264)	-2,72	-0,32	0,24	-4,05**	-1,81	-1,76
Manufacture of cement, lime and plaster (265)	13,71**	23,86**	23,78**	20,82**	12,67**	15,77**
Manufacture of articles of concrete, plaster and cement (266)	-2,34	5,87**	2,80**	4,46**	2,77**	2,32*
Cutting, shaping and finishing of stone (267)	-7,27**	-0,56	1,43	-9,70**	1,85	-4,91°
Manufacture of other non-metallic mineral products (268)	1,70	-8,60**	2,31	-3,91°	9,42**	-2,92
Manufacture of basic iron and steel and of ferro-alloys (ECSC) (271)	-3,67°	20,51**	14,59**	19,20**	27,29**	9,15**
Manufacture of tubes (272)	-2,83	-0,31	0,12	4,27*	4,09°	-3,51°
Other first processing of iron and steel and production of non-ECSC ferro-alloys (273)	-3,68*	-4,90**	-1,67	1,92	7,64**	6,66**
Manufacture of basic precious and non-ferrous metals (274)	2,64**	12,72**	10,47**	10,88**	12,11**	5,27**
Casting of metals (275)	3,30**	1,02	-3,65**	2,86**	-1,13	0,86
Manufacture of structural metal products (281)	-11,30**	-7,95**	-4,94**	-5,40**	-7,43**	-5,38**
Manufacture of tanks, reservoirs and containers of metal; manufacture of central heating radiators and boilers (282)	-2,63	4,56**	-5,73**	-3,11*	0,73	-6,58**
Manufacture of steam generators, except central heating hot water boilers (283)	1,78	-2,50	-1,28	-3,10*	-10,71**	2,80*
Forging, pressing, stamping and roll forming of metal; powder metallurgy (284)	-8,63**	-1,81	-8,65**	-2,30	-7,81**	-3,81
Treatment and coating of metals; general mechanical engineering (285)	-4,28*	2,35°	0,34	3,40*	-2,45°	-4,16**
Manufacture of cutlery, tools and general hardware (286)	-6,62**	-5,89**	-2,35	-0,21	0,08	5,27**
Manufacture of other fabricated metal products (287)	-18,90**	-5,63*	-4,17**	-4,38**	-0,67	-1,43
Manufacture of machinery for the production and use of mechanical power, except aircraft, vehicle and cycle engines (291)	6,14**	6,57**	10,48**	5,88**	6,98**	2,42*
Manufacture of other general purpose machinery (292)	-2,75	-6,61**	0,13	-2,84*	2,12*	0,21
Manufacture of agricultural and forestry machinery (293)	4,49**	4,67**	8,81**	-4,03*	-8,28**	2,37
Manufacture of machine-tools (294)	2,04	-3,91°	0,05	-3,75°	-6,46**	3,12
Manufacture of other special purpose machinery (295)	-0,59	-3,13*	-0,91	-1,02	1,04	-1,28
Manufacture of domestic appliances n.e.c. (297)	-8,58**	-8,28**	-4,73*	-9,10**	-9,61**	-10,45**
Manufacture of office machinery and computers (300)	-6,45*	-4,82	-6,47**	-6,40*	-9,05**	-4,79*
Manufacture of electric motors, generators and transformers (311)	-5,92**	-7,48**	-5,11	-0,51	-3,48	-4,40°
Manufacture of electricity distribution and control apparatus (312)	-4,72**	-8,05**	-7,99**	-2,80*	-3,21°	-6,72**
Manufacture of insulated wire and cable (313)	5,67**	1,46°	9,58**	6,89**	12,23**	7,37*
Manufacture of lighting equipment and electric lamps (315)	7,43**	5,72**	4,82**	0,30	2,22*	-2,89
Manufacture of electrical equipment n.e.c. (316)	-3,39	-0,08	-7,36°	-4,42*	-1,16	4,97°
Manufacture of electronic valves and tubes and other electronic components (321)	5,11**	9,89**	12,55**	3,50*	8,34**	15,33**
Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy (322)	6,67**	-7,34	-3,93	11,07*	10,84**	13,54**
Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods (323)	-6,96**	-8,39**	-3,96	-1,27	-7,19**	5,89**
Manufacture of medical and surgical equipment and orthopaedic appliances (331)	-3,06	-2,31	8,00**	-1,29	6,88**	2,86°
Manufacture of instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process control	1,01	-2,40	7,85**	6,68**	0,05	11,38**

equipment (332)						
Manufacture of industrial process control equipment (333)	-7,73**	-9,35**	-12,22**	-8,00**	-8,10**	-1,42
Manufacture of optical instruments and photographic equipment (334)	-7,81**	-2,09	-3,51	-1,79	-2,88	0,61
Manufacture of motor vehicles (341)	-2,54*	0,42	10,26**	10,38**	3,68**	5,98**
Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers (342)	-6,67**	-6,34**	-4,28**	1,98*	3,29**	5,78**
Manufacture of parts and accessories for motor vehicles and their engines (343)	-2,82*	-4,16**	-0,02	-1,41	-0,30	-4,59**
Building and repairing of ships and boats (351)	-1,39	0,98	-1,61	4,19°	2,46*	6,21**
Manufacture of railway and tramway locomotives and rolling stock (352)	-5,18**	-0,99	-17,81**	0,86	4,95**	3,78*
Manufacture of aircraft and spacecraft (353)	-5,72**	-2,19	-2,18	-5,42**	3,25°	-2,02
Manufacture of motorcycles and bicycles (354)	-8,38*	-4,27	-5,45*	-3,47	-1,71	-4,62
Manufacture of furniture (361)	-17,57**	-15,66**	-15,03**	-16,37**	-17,23**	-15,06**
Manufacture of jewellery and related articles (362)	-15,79**	-21,11**	-24,37**	-7,93*	-19,60**	-14,89**
Manufacture of games and toys (365)	-0,13	-12,76**	-5,08	14,42**	0,62	0,14
Miscellaneous manufacturing n.e.c (366)	-3,28	-11,01**	-6,38**	-11,77**	-15,92**	-17,09**
Recycling of metal waste and scrap (371)	-10,88**	1,16	-5,69**	-1,40	1,92	7,16**
Recycling of non-metal waste and scrap (372)	-7,73**	-16,69**	-9,58**	-5,15**	-3,70	-5,26*
Production and distribution of electricity (401)	41,28**	37,45**	39,38**	57,43**	109,92**	31,78**
Manufacture of gas; distribution of gaseous fuels through mains (402)	45,99**	55,21**	64,59**	45,40**	49,25**	58,86**
Collection, purification and distribution of water (410)	-19,11**	-7,22**	-16,45**	-12,29**	-11,00**	-5,10**
Site preparation (451)	4,08*	5,42**	12,36**	3,40**	5,24**	-2,35
Building of complete constructions or parts thereof; civil engineering (452)	-2,96*	-2,71**	-0,94	-1,02	-2,88**	-4,67**
Building installation (453)	-9,01**	-4,96**	-2,70**	-5,23**	-6,06**	-4,51**
Building completion (454)	-2,34	-1,49	-1,50	0,37	-1,90	-3,98**
Renting of construction or demolition equipment with operator (455)	-8,84*	-1,05	1,66	11,81**	-0,38	16,05**
Sale of motor vehicles (501)	4,81**	5,70**	6,18**	5,69**	9,90**	2,32***
Maintenance and repair of motor vehicles (502)	1,93	-0,55	5,13**	2,55*	12,63**	-0,02
Sale of motor vehicle parts and accessories (503)	0,97	5,08**	-10,92**	-3,00	1,66	-5,06**
Sale, maintenance and repair of motorcycles and related parts and accessories (504)	9,75**	4,74°	5,29*	0,37	13,10**	6,72**
Wholesale on a fee or contract basis (511)	15,75**	18,46**	22,13**	14,48**	-6,23*	11,88**
Wholesale of agricultural raw materials and live animals (512)	-11,22**	-7,70*	-1,79	-1,11	-3,65	1,63
Wholesale of food, beverages and tobacco (513)	-3,74**	-7,19**	-6,77**	-5,43**	5,72**	-6,81**
Wholesale of household goods (514)	2,77°	8,16**	7,66**	3,67**	8,01**	7,12**
Wholesale of non-agricultural intermediate products, waste and scrap (515)	3,45*	2,73**	-2,23	1,25	4,80**	3,78**
Wholesale of machinery, equipment and supplies (516)	-2,55	3,77**	1,68*	5,64**	3,79*	5,46**
Retail sale in non-specialised stores (521)	-1,22	-7,11**	-9,60**	-4,05**	-11,55**	-6,78**
Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles (523)	-7,78**	-14,10**	-10,82**	-8,46**	-13,15**	-11,09**
Other retail sale of new goods in specialised store (524)	-11,54**	-7,64**	-11,25**	-10,93**	-16,64**	-14,60**
Retail sale of second-hand goods in stores (525)	-11,34*	-18,72**	-18,72**	-30,88**	-33,40**	-33,48**
Retail sale not in stores (526)	-13,54**	-12,49**	-17,00**	-17,33**	-25,17**	-15,42**
Repair of personal and household goods (527)	-5,10	7,48*	-6,34**	-9,68**	8,07**	0,51
Hotels (551)	-22,55**	-25,09**	-24,55**	-18,60**	-20,63**	-26,17**
Camping sites and other provision of short-stay accommodation (552)	-19,98**	-24,26**	-24,74**	-11,83**	-14,12**	-18,42**
Restaurants (553)	-19,76**	-12,57**	-27,59**	-18,10**	-21,17**	-23,63**
Bars (554)	-34,76**	-25,97**	-30,89**	-26,59**	-25,71**	-0,02
Canteens and catering (555)	-21,01**	-23,06**	-17,96**	-19,74**	-22,61**	-23,54**
Other land transport (602)	1,56*	-9,98**	-9,03**	-6,88**	-5,60**	-7,25**

Scheduled air transport (621)	4,70	8,98	13,20*	15,24*	20,08**	0,43
Cargo handling and storage (631)	-7,95**	-10,78**	-1,31	-3,18**	0,63	-0,95
Other supporting transport activities (632)	7,73*	-5,96°	16,48**	26,26**	-10,55**	1,32
Activities of travel agencies and tour operators; tourist assistance activities n.e.c. (633)	-9,54**	-13,92**	-7,90**	-10,63**	-11,78**	-12,60**
Activities of other transport agencies (634)	-5,73*	3,79**	6,97**	5,14**	8,11**	4,98**
Post and courier activities (641)	4,20°	-10,37**	-9,26**	-9,43**	0,48	-7,48**
Telecommunications (642)	6,80**	15,49**	9,46**	9,76**	4,89**	7,60**
Other financial intermediation (652)	-8,32**	9,64**	1,71	13,33**	10,08**	23,24**
Activities auxiliary to financial intermediation, except insurance and pension funding (671)	6,05*	1,20	7,12**	11,47**	9,82**	15,73**
Activities auxiliary to insurance and pension funding (672)	-2,46	-6,44**	-1,35	-0,35	3,05°	4,25*
Real estate activities with own property (701)	40,94**	33,74**	21,37**	25,38**	22,45**	6,83
Letting of own property (702)	-0,35	-6,15*	-2,43	-5,85**	1,58	5,65**
Real estate activities on a fee or contract basis (703)	-12,27**	-0,49	-1,23	-1,31	2,51	-1,61
Renting of automobiles (711)	2,69	-3,13	7,07**	8,53**	6,99**	7,53**
Renting of other machinery and equipment (713)	1,76	3,09°	2,81	4,38**	-1,74	-12,20**
Renting of personal and household goods n.e.c. (714)	-19,51**	-14,30**	-13,22**	-8,70*	-14,11**	-18,15**
Hardware consultancy (721)	-4,76	-4,23*	6,00**	4,24**	4,23**	-1,39
Software consultancy and supply (722)	2,16	-3,70°	-0,62	-1,65	0,96	1,92
Data processing (723)	-2,61	-5,24*	0,00	14,25**	13,22**	9,60*
Data base activities (724)	-15,00**	-4,71°	-4,76	-2,27	-0,58	11,80**
Maintenance and repair of office, accounting and computing machinery (725)	-17,53**	-12,60**	-8,94**	-12,82**	-11,70**	-11,12**
Other computer related activities (726)	10,26	1,39	-7,70**	-1,12	8,88*	33,55**
Research and experimental development on natural sciences and engineering (731)	12,08**	-2,17	4,90**	1,17	1,77	0,31
Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings (741)	6,00**	5,11**	6,90**	7,83**	8,79**	10,91**
Architectural and engineering activities and related technical consultancy (742)	-11,29**	-0,39	-9,10**	-6,62**	-2,88	-6,71**
Technical testing and analysis (743)	3,58*	-4,41*	10,96**	7,27**	-5,20*	-6,19**
Advertising (744)	-26,66**	-10,32*	-16,65**	-1,33	-6,44	-2,19
Labour recruitment and provision of personnel (745)	-18,69**	-9,85**	-13,49**	-9,29**	-11,06**	-10,00**
Investigation and security activities (746)	-12,13**	-31,57**	-4,93**	-15,60**	-21,21**	-18,12**
Industrial cleaning (747)	-10,53**	-14,16**	-10,56**	-11,08**	-9,29**	-19,76**
Miscellaneous business activities n.e.c (748)	-6,33**	-4,19	-10,68**	-8,30**	-8,54**	-6,53**
Adjusted R^2 of wage regression	0.64	0.63	0.65	0.60	0.63	0.59
F-test relative to the estimated wage regression	242.2**	301.1**	318.3**	272.9**	306.4**	247.2**
F-test relative to the sectoral dummies	38.0**	40.1**	42.5**	39.7**	34.5**	41.0**
Per cent significant industry wage differentials at the 10% level	72.2 (109/151)	74.7 (112/150)	70.9 (107/151)	77.5 (117/151)	74.7 (112/150)	74.7 (112/150)
Range of industry wage differentials	80.75	86.78	95.47	88.31	143.32	92.34
Weighted adjusted standard deviation (WASD) of the inter-industry differentials	0.116	0.109	0.101	0.094	0.099	0.105
Number of industries	151	150	151	151	151	151
Number of observations	37,574	49,136	51,680	52,808	50,720	56,310

Notes: Standard errors of the industry wage differentials are computed according to Zanchi (1992). **/*/°: industry wage differential significant at the 1, 5 and 10%, respectively.

Appendix 11: Percentage Significant Inter-Industry Wage Differentials (at the 10 per cent level), Before and After Controlling for Rent-Sharing, NACE two-digit level

Specification of wage equation:	Data	2000	2001	2002	2003	2004	2005	Average 2000-2005
Before controlling for rent-sharing	SES	76.7	76.7	88.4	86.0	79.1	81.3	81.4
	SES-SBS	76.2	88.1	83.3	83.3	78.6	83.3	82.1
After controlling for rent-sharing	SES-SBS	47.6	42.9	47.6	40.4	52.4	40.5	45.2

Appendix 12: Percentage Significant Inter-Industry Wage Differentials (at the 10 per cent level), Before and After Controlling for Rent-Sharing, NACE three-digit level

Specification of wage equation:	Data	2000	2001	2002	2003	2004	2005	Average 2000-2005
Before controlling for rent-sharing	SES	75.5	73.5	78.7	73.5	79.4	76.8	76.2
	SES-SBS	72.2	74.7	70.9	77.5	74.7	74.7	74.1
After controlling for rent-sharing	SES-SBS	40.4	48.7	47.7	53.0	51.7	50.3	48.6

Appendix 13: Correlation Coefficients Between Inter-Industry Wage Differentials, Before (SES data) and After (SES-SBS data) Controlling for Rent-Sharing, NACE two-digit level (n=42)

Period:	2000	2001	2002	2003	2004	2005
Pearson	0.685**	0.805**	0.740**	0.863**	0.873**	0.927**
Spearman	0.523**	0.668**	0.572**	0.760**	0.820**	0.909**

**/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively.

Appendix 14: Correlation Coefficients Between Inter-Industry Wage Differentials, Before (SES-SBS data) and After (SES-SBS data) Controlling for Rent-Sharing, NACE two-digit level

Period:	2000	2001	2002	2003	2004	2005
Pearson	0.944**	0.926**	0.954**	0.962**	0.960**	0.944**
Spearman	0.855**	0.887**	0.893**	0.893**	0.848**	0.876**

**/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively.

Appendix 15: Pearson/Spearman Correlation Coefficients Between Inter-Industry Wage Differentials, Before (SES data) and After (SES-SBS data) Controlling for Rent-Sharing, NACE three-digit level (n=152)

Period:	2000	2001	2002	2003	2004	2005
Pearson	0.717**	0.791**	0.825**	0.866**	0.820**	0.889**
Spearman	0.642**	0.767**	0.765**	0.868**	0.811**	0.865**

**/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively.

Appendix 16: Pearson/Spearman Correlation Coefficients Between Inter-Industry Wage Differentials, Before (SES-SBS data) and After (SES-SBS data) Controlling for Rent-Sharing, NACE three-digit level (n=152),

Period:	2000	2001	2002	2003	2004	2005
Pearson	0.943**	0.940**	0.962**	0.961**	0.946**	0.938**
Spearman	0.901**	0.922**	0.931**	0.942**	0.907**	0.912**

**/*/°: coefficient significant at the 1, 5 and 10 per cent, respectively.

Appendix 17: Dispersion of Inter-Industry Wage Differentials (WASD), Before and After Controlling for Rent-Sharing, NACE two-digit level

WASD	Data	2000	2001	2002	2003	2004	2005	Average 2000-2005
Before controlling for rent-sharing	SES	0.083	0.086	0.070	0.070	0.089	0.086	0.081
	SES-SBS	0.100	0.088	0.080	0.070	0.082	0.084	0.084
After controlling for rent-sharing	SES-SBS	0.071	0.063	0.068	0.054	0.065	0.061	0.064

Appendix 18: Dispersion of Inter-Industry Wage Differentials (WASD), Before and After Controlling for Rent-Sharing, NACE three-digit level

WASD	Data	2000	2001	2002	2003	2004	2005	Average 2000-2005
Before controlling for rent-sharing	SES	0.097	0.107	0.085	0.088	0.102	0.113	0.099
	SES-SBS	0.116	0.109	0.101	0.094	0.099	0.105	0.104
After controlling for rent-sharing	SES-SBS	0.079	0.085	0.084	0.072	0.076	0.077	0.079

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