



## Introduction

Today one in every two economically active persons in the world is an employee paid by wage. The global payroll represents perhaps 40% of global GDP.

◊ In advanced countries, wages currently account for 40 to 50% of GDP, 50 to 70% of household incomes and 90% of the workforce. In emerging countries, these figures are: 35 to 40% of GDP, 40 to 50% of household incomes and 50% of the workforce. However, there are some important differences on the labour market in both types of economies: the existence of organised or unorganised sectors, the importance or not of rural manpower, and the presence of social insurance or not.

◊ Main income for employees (or wage workers) and a significant cost for employers, wage and salaries are generally adjusted to the overall growth of the economy (added value).

◊ No salary is isolated, it is part of a very differentiated system formed of thousands of levels of compensation related to the qualification of the individual, his/her responsibilities and place in the economic circuit.

## Wages and globalisation

Globalisation is not the only factor in the evolution of contemporary economies but it brings in its motion other economic components such as innovation, capital formation or qualification of the workforce. It has effects on production, trade flows and market structure but also on prices, costs and incomes. If the first set of dimensions was studied in part, through a literature that already has hundreds of references, the second component is present, but less often discussed<sup>1</sup>. The dimension “price / income” of globalisation is itself extremely broad (purchasing power, inflation, relative prices, terms of trade), the WAGE-network will intend to focus the analysis on *wages* that measure both price and income of the wage labour. This price of labor itself has two sides, one statistical and quantifiable, the average annual salary, the other one more psychological, the socio-cultural perception of salaries<sup>2</sup>.

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<sup>1</sup> From a bibliography whose first titles were published in the 1990s, some references: Epifani, P, Gancia, G, “The Skill Bias of World Trade”, *The Economic Journal*, July 2008, vol. 118, p 927-960, Gindling, T. H, Terrell, K, “Minimum Wages, Inequality and Globalization“, Bonn, Forschungsinstitut zur Zukunft der Arbeit, *Discussion Paper* n°1160, mai 2004, 24 p, Holz C. A, Mehrotra, A, “Wage and price dynamics in a large emerging economy: The case of China“, BRI, *Working papers* n°409, Avril 2013, 18 p. Huwart, J-Y, Verdier, L, “Does globalisation promote employment?”, *Economic Globalisation: Origins and consequences*, OECD, 2013, p 88-107, Slaughter, M, Swagel, P, “The Effect of Globalisation on Wages in the Advanced Economies“, IMF *Working Papers* 97/43, 1997, 33 p

<sup>2</sup> Public opinion sensibility, influenced by the interplay of economic analysis (OECD, IMF, ILO) and media resonance, must be considered besides the deployment of concrete economic processes. The two dimensions

## Main question of the WAGE network: **international wage convergence in time from the 1950s or not?**

The *questioning* can be broken down into three components:

1. About the global wages convergence (possible or not)
2. About the issue of a decent wage and the several types of wage dispersion. [Wage dispersion and inequalities: increasing or decreasing?]
3. Wage strategies and influencing wages: wage policy

### 1. About global wages convergence in time

Between 1950 and 1980, wages in advanced economies have grown faster than those of the (future) emerging countries. The situation is reversed in the 1980s: wages in emerging countries are growing faster than those of developed countries. Is it simultaneity or causality? Does the rapid growth of some emerging countries cause the slowdown of the others?

### 2. About the issue of a decent wage and the several types of wage dispersion.

Is this approximate convergence of wage average levels accompanied by a marginal internal equalization of wages? Or by worsening disparities due either to an expansion of qualifications or to a differential sectorial productivity growth? Examples of disparities could be put forward to answer the question: interstate inequality, inter-decile differences, gender wage gap etc.

### 3. Wage strategies and wage policies

Wages are also the subject of a strategy, conscious or implicit: on the part of the employees themselves, on the part of companies, trade unions, public authorities. Employees anticipate (or not) training that will lead to a certain salary, trade unions defend certain positions on employment, work organization and remuneration, public authorities (State or local authorities) ensure the remuneration of civil servants, the wage grids of which often represent the central part of a country's pay scales, define social laws, sometimes fix a minimum wage

Can we define explicit and constructed wage strategies, according to economic agent? Are they not the result of habits and compromises between agents? In industrial relations, there has been talk of a preponderance of employers over employee unions since the 1980s: can we compare this with the period before 1980 and is this true for all continents, with what consequences?

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evolve together and alongside socio-cultural perception, as representing the expectations and strategies of agents, contribute to the income evolution.

## 1. Global wages convergence (possible or not)

### 1.1. Average wage evolution in the long-term since the 1950s/1960s: the big reversal in the 1980s (advanced countries/emerging countries)

Labour markets may be regional or global in some types of activity, but the most frequent case is a national labour markets, influenced mainly by the “average” world market and secondarily by the surrounding national markets or in connection, according to skill levels.

#### General evolution in the long-term since the 1950s

In advanced economies, a rapid wage growth can be observed until 1980, then a slower movement from 1980 through today. Between 1950 and 1980, wages in advanced economies have grown faster than those of the emerging countries. The situation is reversed in the 1980s: wages in emerging countries grow faster than those of developed countries (example in Fig. 1)

On the macroeconomic level, from 1945 till approximately 1980, growth and wage income increase quickly in Europe and North America and more slowly on the other continents. For example, GDP in Europe increased by 5% per year and wages by 4%, while India's GDP grew by 3 % a year and the average wage a little less. From the 1980s, the situation was reversed: growth and wages rose faster in emerging countries such as India, Brazil, China or South Africa. European GDP increased by less than 2% from 1980 and wages by about 1% per year; India's GDP increased by 6% per year and the wage by 4%.

Among the many biases that can disrupt the comparison between growth and wage bill is the evolution of the labour force in each state. Also, the demographics have deeply changed<sup>3</sup>. Europe has e. g. risen from 400 million inhabitants in 1950 to 500 million today, so from 16% of the world population to 8 %. Its GDP increased from 30% of world GDP in 1950 to 20% today. As of now, three so called emergent countries (India, China, Brazil) represent 40% of the global population and their share of the world GDP has risen from less than 10 % in 1950 to just over 20% today, which is equivalent to is the production of Europe or that of the United States.

#### Since 1995, global wages increased around 2% per year and GDP of around 3.5-4%

From 1995, the ILO has better statistics on a global scale, sufficiently homogeneous to allow for acceptable comparisons

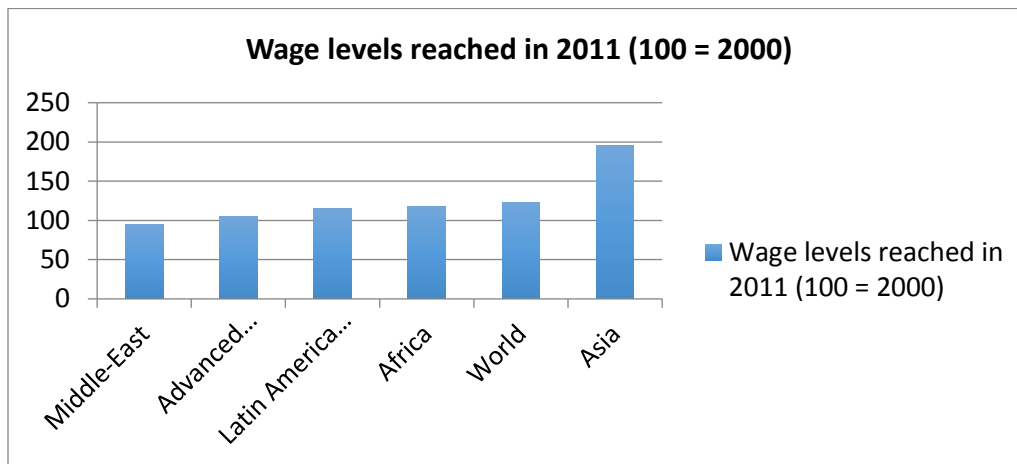
Global GDP has been growing since 1995 at between 3.5 to 3.8% per year. In comparison, it can be seen that average wages have risen at about half that rate (2%) on average with a significant difference between:

- Advanced countries: 1%
  - Emerging countries: 3-5% (with a lot of heterogeneous situations), for instance China: between 5 and 8%, or India and Brazil: around 3%
- (ILO, *Global Wage Reports, passim, 2008-2017*)

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<sup>3</sup> The European Union accounts for about 160 million wage earners out of an active population of 200 million and the globe between 1.2 and 1.5 billion wage earners out of 2.5 to 3 billion

**Fig. 1. Since 2000, wages are increasing rapidly in Asia, but slowly in developed countries (and in Middle East)**



Source: ILO, *Global Wage Report*, 2012-13

### Mean and variance

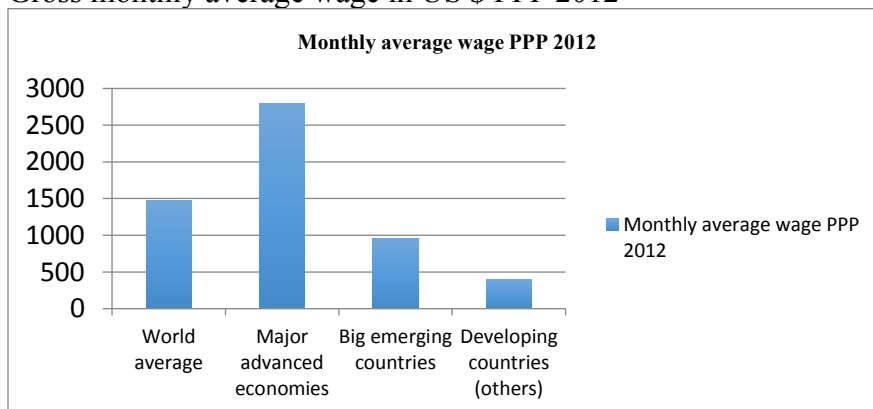
Concerning wage issues, the mean is widely used to make comparisons between countries and over time, but it can be seen very quickly that dispersion is the rule

The graphs below show dispersion phenomena between subsets of countries classified by standard of living (Figure 2), between advanced and emerging countries (Figure 3) and within the subgroup of emerging countries (Figure 4)

In purchasing power parity (PPP), with an average gross monthly wage of \$1.500 in 2012, the inhabitants of advanced countries receive twice as much, those of the major emerging countries by two thirds, those of the other developing countries by a small third (Fig. 2)

**Fig. 2. Geographic wage dispersion between world areas**

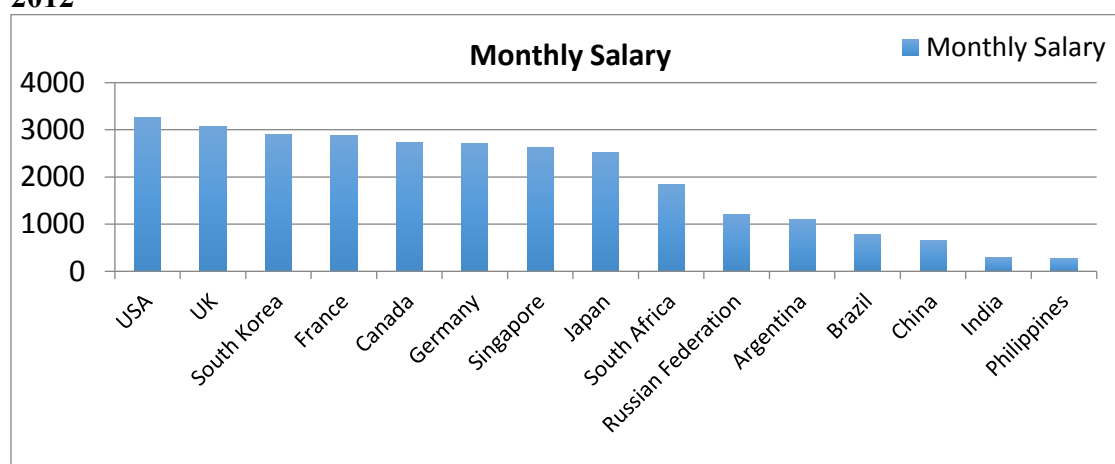
Gross monthly average wage in US \$ PPP 2012



Source: ILO, *Global Wage Report*, 2014-15.

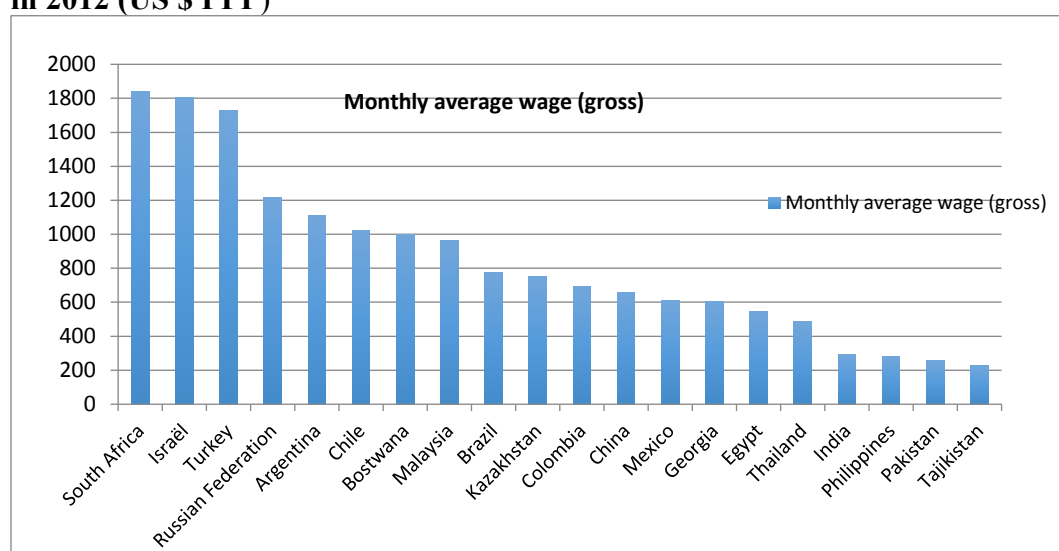
While the gap (PPP) between the wealthiest in advanced economies (\$3.000) and emerging low-wage countries (\$200-400) remains considerable (from 1 to 10) as shown in Figure 3, the gap between the different emerging countries themselves also appears important (from 1 to 9), between the most advanced (\$1.800) and the least advantaged (\$200), as can be seen in Figure 4.

**Fig.3. Monthly average wage (gross) in advanced and emerging countries in US \$ PPP 2012**



Source: OECD, database

**Fig. 4. Example of internal disparities within emerging countries: gross monthly wages in 2012 (US \$ PPP)**



Source: OECD, database

#### **. Comparison developed / emerging countries: methodology**

In these comparisons, it is necessary to exceed the arithmetic ratios and to take account of several socio-economic, political and cultural factors which relativize or influence distortions. We can observe in emerging and developing countries:

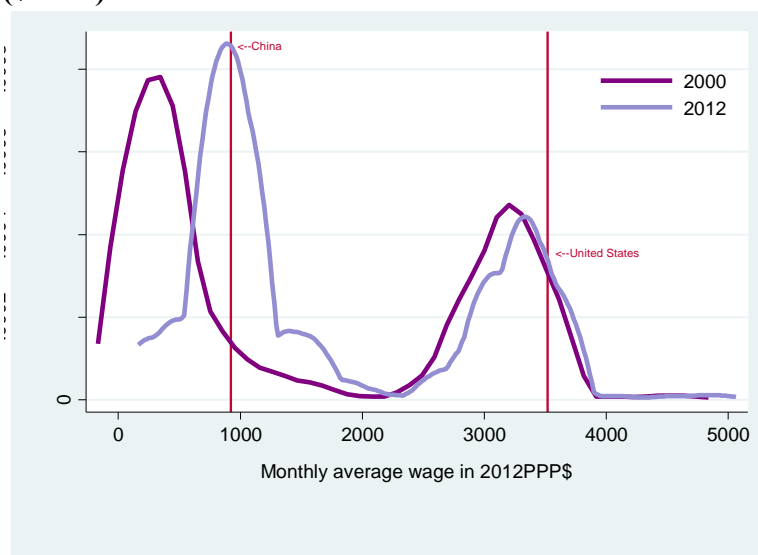
- A large share of agricultural workers, involving generally lower wages.
- The importance of the informal and family economy, poorly recorded (under-monetized, under-taxed).
- The relative importance of the self-employed (craftsmen, traders, workers under contract): there are not employees
- A high rate of working poor (more than employees) in the vicinity of the minimum wage
- The significant difference between men and women: less cultural enhancement of women and girls
- The relative lack of *Welfare state* and social insurance

## 1. 2. Convergence hypothesis: trend to price equalization of wage labour through international trade

The trend to price equalization of wage labour has spread through international trade and globalization (HOS Theorem, Heckscher-Ohlin-Samuelson, 1919-1933-1941, taking into account its limitations). This equalization of relative and absolute income of factors should appear between nations, according to the skill level: wage equalization for engineers, for middle staff, for workers, for all countries that trade together<sup>4</sup>. An equalization in income of homogeneous capital (with same capital productivity and same risk) can also be observed for all countries that trade. The expansion of trade, having equalized factor incomes, will during its development tend to equalize the relative factor prices and absolute prices. All this is checked if all assumptions hold<sup>5</sup>.

The ILO observes this slow convergence (Fig. 5): each point on the curve represents the average wage of a country. We observe that the 2012 curve has shifted to the right in relation to 2000, mainly due to the rise of emerging countries - even if the weight of China tends to exaggerate this phenomenon

**Fig. 5. Convergence? Evolution of the positioning of the average monthly wages in the world (\$ PPP) between 2000 and 2012**



**Source:** ILO, *Global Wage Report*, 2014-15, p. 20

The empirical verification of the HOS assumptions regarding relative prices gives composite results because the model assumptions, such as those of perfect competition are rarely met in the real world. The theorem gives a trend, but the finding of its applicability is hampered by differences in technology, taxation, organization of the labour market or transport costs, customs duties or non-tariff barriers, imperfect competition and labour market viscosities, several kinds of corporatism etc.

<sup>4</sup> Wolfgang Stolper, Paul Samuelson, "Protection and Real Wages", *Review of Economic Studies*, IX, November 1941, p. 58-67. The Heckscher-Ohlin theory (1919-1933) marks the starting point of the contemporary analysis of international trade, based on the HO theorem predicts the processes and the exchange structure. In 1941, Paul Samuelson and Wolfgang Stolper have deduced from H-O another theorem on the remuneration of factors, which was systematically incorporated into the presentation of the model, now known as HOS-model

<sup>5</sup> E.g.: Dominick Salvatore, *International Economics*, New York, John Wiley & Sons, Inc. 2007, chapter 5.

## Conclusion

### Differences remain very important between countries and within continents, wage differential and migrations' potential

Why the persistence of large wage differentials on a global scale and within continents?

The “labour market” is not comparable to currencies, commodities or information markets and is segmented by sociocultural effects and national specificities (language, labour law, social insurance). The slow filling of gaps between countries is partly due to the specifics of the labour market:

- Many labour markets remain national: spoken language, different social and fiscal rights, non-explicit norms (habits), trade union action
- The mobility of labour is much lower than that of capital: familial, social networks, rooting of assets (real estate, education of children)
- A number of subsets remain protected: salaried officials, regulated professions etc.

## Wages and migrations

The question of convergence is directly related to that of migratory movements in which the wage differential plays a certain role (even if it is neither unique nor necessarily decisive). For instance, the Mediterranean is the contact area of the world, where wages contrasts are almost at the highest (1 to 8 Nominal between Maghreb and France, 1 to 4 PPP for example). A more differentiated calculation of gaps between countries, gender, sectors etc. can be carried out. We have, for example, studies in Morocco on the motivations of emigrants, their aspiring financial strategy, their minimizing of social risks induced by migration (migrant decommissioning effect in the country of arrival)

## 2. Wage dispersion and inequalities: increasing or decreasing?

- Dispersion: arithmetic distribution of values relative to the average
- Disparity: distribution deemed disproportionate by a given society

In all countries, there are large differences between individuals, usually related to differences in qualifications, age, gender, firm size or sector. Depending on the case, a greater or a lesser part of these differences constitutes true inequalities of treatment in relation to the work carried out

### 2.1. Dispersion, disparities, inequalities

In seeking to qualify the “dispersion” of wages (disparities / inequalities / injustice), the WAGE network could endeavour to examine in particular the gender wage gap, low wages persistence, the (wage) Gini index, etc.

For example, Europe is today divided into four or five different development levels or subgroups. In the early years of this decade, the EU's annual gross salary hovered around €30.000. However it reached €40.000 to €50.000 in countries with higher living standards (i.e. Denmark, Finland, Luxembourg, Belgium), higher than the bigger economies like France, the UK (€34.000) or Germany (€38.000) while Italy remains at the average. Countries with the lowest standard of wages hover around €5.000 to €10.000 (i.e. Bulgaria, Romania, Lithuania, Slovakia, Hungary). When adjusted for PPP, expressed in dollars, we still find a significant gap between 1 to 3 and 1 to 2.5 (OECD 2012).

In this example, the network could aim to examine the role of labour costs in exports and the attractiveness of wages in advanced countries for potential migrants. The gap (PPP)

between Europe e.g. and the major emerging countries is 1 to 3, with developing countries from 1 to 7.5, and the LDCs from 1 to 25

**Salaries of youth** could be one of the prime targets in the analysis of inequalities, because it captures many elements. It is a major concern for advanced countries and also for emerging countries' leaders or public policies. Salaries of the young raise the issue of youth employability, and also involves the training system and therefore education or University efficiency. All this chain leads to the issue of decent work, in accordance with the efforts of the ILO

## 2.2. Gender wage gap

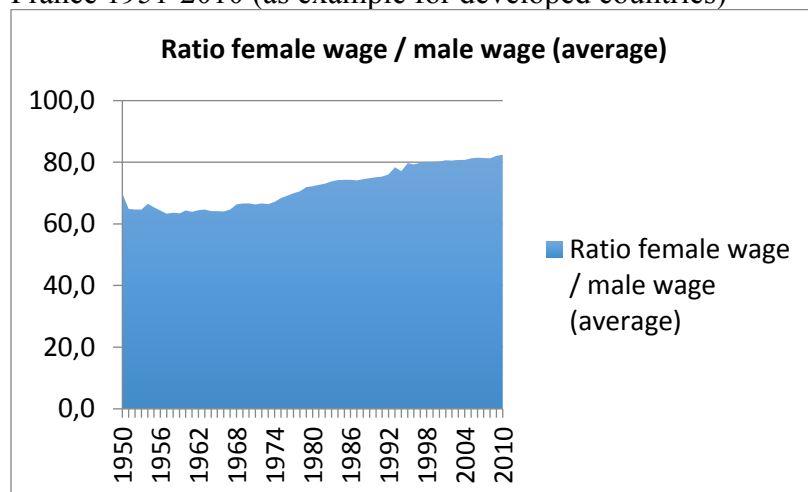
The gender wage gap is an important concern in the global economy and could be an interesting approach to this debate between dispersion and inequality.

Currently, the monthly gender wage gap is about 45% in Azerbaijan, 42% in Georgia, 40% in Tajikistan, 39% in Russia, 34% in Israel, but 25% in Canada, around 20 % in Germany, about 18% in the USA and 15% in Poland.

In India, in the formal sector, the gap is currently 25%, but it was 45% in the 1990s; it varies considerably from one Indian state to another, and according to age and qualification. But this refers to the formal sector: women still work predominantly in the informal sector and in rural areas, where wage differentials of 30 to 50% with men are possible

In emerging and developing countries, the gender gap is higher, between 40 and 50%, because women are less qualified, occupy most rural employment and are in the informal economy. With economic and social acceleration, the job structure moves to industry, cities, services and technologies; the gap may increase if the qualification of women changes a little or conversely decrease if the qualification of women follows the general development. The narrowing of the gap can function as a social development index for the country

Fig. 6. **Gender wage gap in advanced countries**  
France 1951-2010 (as example for developed countries)

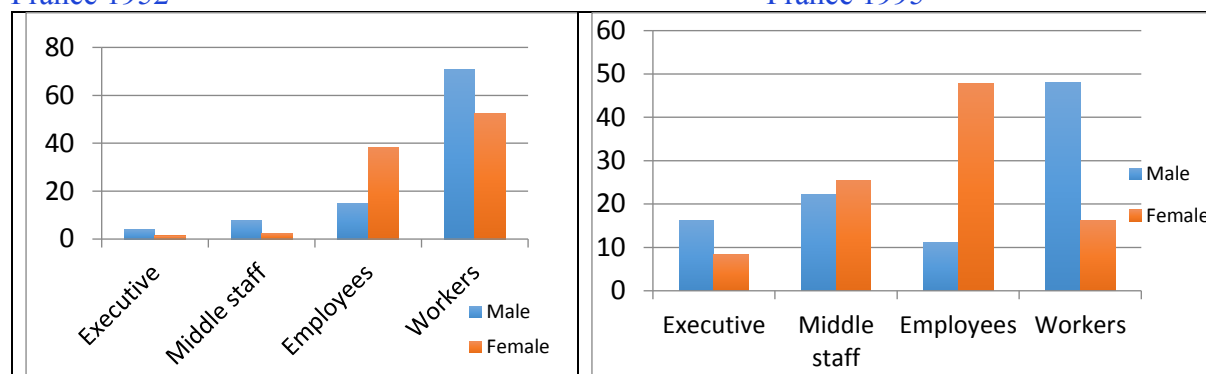


Source: INSEE, database

However, we have to pay attention to bias, especially to qualification gaps. It can be seen from Figure 12 that, in 1995, the proportion of men and women employed as middle-level staff is equivalent. Then, the over-representation of women among employees is compensated by that of the men among the workers. In senior management positions, however, there are twice as many men as women. The average male wage is partly increased by this qualification gap in employment in top positions

**Fig. 7. Breakdown of male and female labor force by type of employment (workers, executives, etc.), France 1952-1995**

France 1952

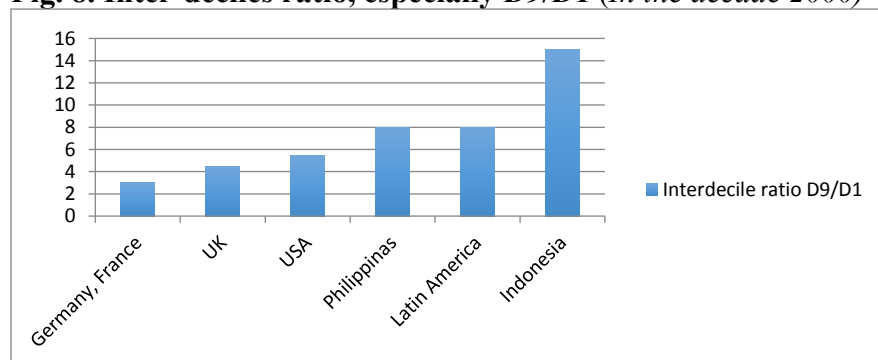


Source : Friez (Adrien), Julhès (Martine), « Séries longues 1950-1996 », INSEE, *INSEE- Résultats, Emplois- Revenus*, n°136, 1998, p. 9

### 2.3. The diversity of the statistical dispersion criteria [and of potential wage inequalities]

Several criteria make it possible to apprehend the dispersion of wages and then, under conditions, to qualify this as inequality: the inter-decile gap  $D9 / D1$ , which is higher in the USA than in Europe within the advanced countries and more important in the emerging countries than in the advanced countries (Figure 8).

**Fig. 8. Inter-deciles ratio, especially  $D9/D1$  (In the decade 2000)**



Source: ILO, *Global Wage Report*, 2012-13

Another interesting criterion is the rate of low wages in the vicinity of the minimum wage (up to 1.4 times the minimum wage); emerging countries offer again greater variances (Figure 13)

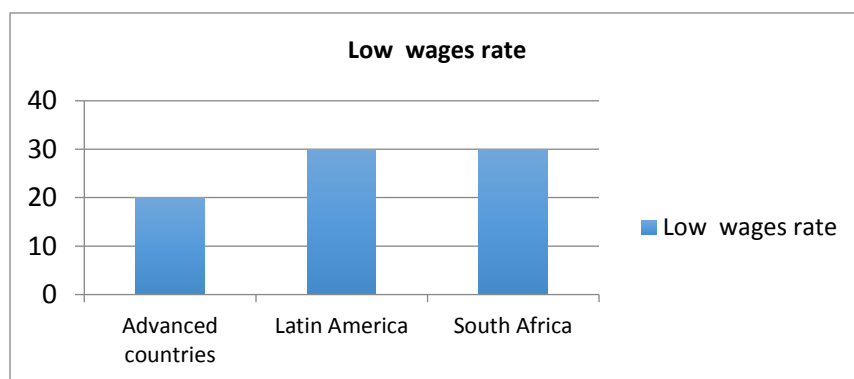
. Building a Gini index of wages could be an objective for the WAGE network.

. Less studied are wage gaps between intellectual and physical labour, engineers and workers, knowledge-intensive industries and more traditional industries. Such wage gaps are widening if we test dynamic data for different countries for the period 1960-2010. We could compare those gaps with time series for different countries.

. On the other hand, we could compare wage indices for knowledge-intensive industries of different countries to test the hypothesis of those wages convergence. We could expect that for most of countries, we'll see convergence process

**Fig. 9. Low wages rate [since 1995] in %**

Proportion of employees paid at the minimum wage and in the vicinity (1.2 to 1.4 min. wage)



**Source:** ILO, *Global Wage Report*, 2012-13.

. In these cases, (gender, D9 / D1, low wages, Gini index), emerging countries have larger internal gaps linked to faster economic growth, which accelerates the rise in incomes upward, faster than at the bottom of the pay scale. The wage grid opens upwards, most likely for a time, according to the intuition of the Kuznets curve<sup>6</sup>, even taking in consideration the critics on the curve, for example by Thomas Piketty<sup>7</sup>.

### 3. Wage strategies and wage policies

The question of wages cannot be limited to the observation of their evolution or their dispersion. It raises questions about the strategy of the actors, at least four groups: the employees themselves, the companies, the trade unions and the public authorities

#### 3.1. Wage strategy of individuals, families and public authorities: the qualification level

The wage strategy of individuals is complex to break down. It is at least a factor of:

- the initial formation (educational system),
- the experience in working and the possibility of continuing education.

Taking into account the initial endowment and its more or less active development by the individual (future) employee from early childhood, it capitalizes on the impact of several agents:

- the family and local environment,
- the educational offer that is itself dependent on public authorities or private institutions and the economic development level,
- the general and local health supply,
- the network of companies and public services,
- the possible role of trade unions etc.

The following example in contemporary India illustrates the possible relation between level of **economic development per capita and the level of literacy** (Fig. 10).

<sup>6</sup> S. Kuznets, 1955, "Economic Growth and Income Inequality", *American Economic Review*, Vol. N°45, p.1-28.

<sup>7</sup> T. Piketty: "The Kuznets' curve, yesterday and tomorrow", in Banerjee, A, Benabou, R, Mookerhee, D, (Ed), *Understanding poverty*, Oxford, Oxford University Press, 2005. The reduction of inequalities is not mechanically associated with per capita GDP growth. Historically, it seems be mainly linked to unexpected events affecting capital (war, inflation) and by taxation (specially income tax)

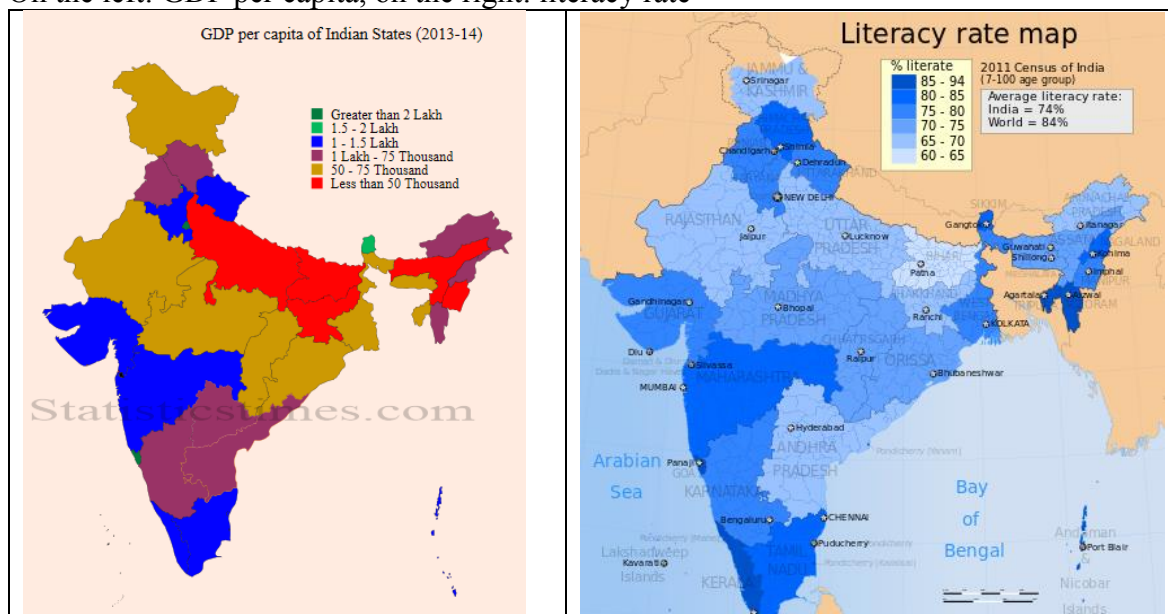
Paralleling of the two maps is simplified, the data being aggregated at Indian state level. However, it allows a certain matching of the level of qualification and the standard of living. The cartographic correlation is not optimal because it also depends on the absolute population of the State, its geographical position, its relative degree of rurality, etc.

It can be observed that states with the highest level of literacy (90%) such as Maharashtra (Bombay) or Kerala in the south-west also offer above-average living standards (in blue colour, between 1 and 1.5 Lakhs, or 100,000 to 150,000 Indian rupees)

Conversely, lower literacy states (60-70%), such as Uttar Pradesh or Bihar in the Ganges valley, also have below-average living standards (in red, below 50,000 IR).

**Fig. 10. Qualification as the best individual and collective strategy for earning more. India 2011/2013**

On the left: GDP per capita, on the right: literacy rate



**Sources:** Ranking of states and union territories by literacy rate: 2011 Census of India Report (2013), and <http://statisticstimes.com/economy/gdp-capita-of-indian-states.php/>

### 3. 2. Wage policies

National, federal or regional government intervention as a kind of “wage policy” is relatively present in most countries.

It takes many forms. Some are explicitly and directly related to wages: the fixing and evolution of civil servants' wages, the labour code as a whole and the degree to which it is respected, the definition of a minimum wage, the focus on the gender wage gap.

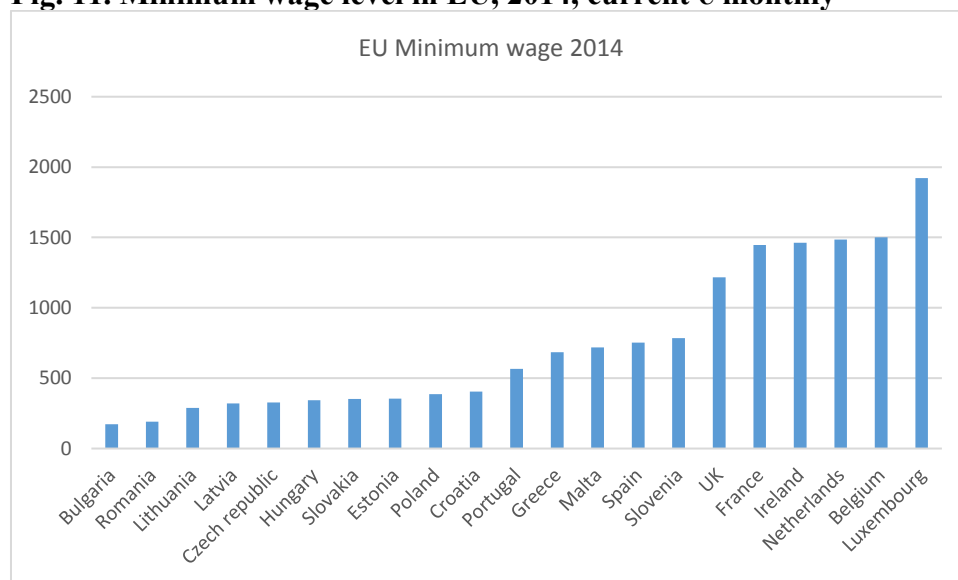
Some are more indirect and less explicit aspects such as: educational policy (level of diplomas in the labour force), health policy (general physical and moral condition of young people and manpower), political system, public order and respect for laws, respect for property rights etc.

All these actions have been the subject of an abundant literature, but the idea would be to take these analyses of policies together by examining their interactions.

Let us take **minimum wage policies** as an example. The subject is rather controversial; for one part of expert opinion, the minimum wage creates a threshold effect that hinders hiring; for another part, it offers a guarantee of a decent standard of living, social inclusion and final consumption. We find on the one hand, the insistence on a wage seen as cost, and on the other hand, that of a wage seen as income, the wage being both at the same time.

Often part of the debate is distorted by the relative level of the minimum wage. In the United States, the minimum wage has existed since 1938, but it is very low. The following graph (Fig. 15) shows the diversity of minimum wage levels in the European Union for the year 2014

**Fig. 11. Minimum wage level in EU, 2014, current € monthly**



**Source:** Eurostat

The geographical proximity of these states and wage differentials can play in favour of migratory flows from countries with the lowest remuneration to countries with the highest remuneration. In fact, the movements are not as large as one might imagine due to differences in languages, labour codes, and health and social insurance systems

If one adds the mixed reception given by the home population towards the labour arriving from other States, even from the same European zone, it is understandable why the wage differential, often absorbed by the price differential of the goods and services in the host country, does not develop larger intra-European demographic flows

### 3.3. Wage strategies of companies

All companies have a “wage strategy”, but it is often induced, even implicit and unformulated: the entrepreneur, the boss or the management committee sets goals in relation to turnover, profitability, investment, marketing strategy etc. and the volume or evolution of wages are deducted as secondary objectives, taking into account wider parameters such as labour-related social charges, higher prices or the turnover of employees (increasing salaries to retain qualified individuals, for example).

Concerning the wage strategy of the company, the network welcomes papers on specific cases<sup>8</sup> or reflections on possible cooperation with companies or professional unions through individual interviews, management workshops (large companies or SMES), in different industrial and service sectors and in different regions.

In details, the wage or salary strategy of the company includes:

- Its existence and its general appearance: conscious and deliberate or less programmed and more “passive” by default etc.

<sup>8</sup> For example: Jimmyn Parc, “The Economic Profitability of Corporation, the Wages as Secondary Component: A Case Study of Korean Automobile Industry”, in: *Wages and globalisation since the 1950s: convergence and disparities*, M-P. Chelini, dir, Bern, Peter Lang, forthcoming 2017 or 2018

- Its level of management in the companies: by the general manager only or by a directorial team; then the role of trade union representatives (depending on size and sector, etc.), taking into account the recommendations of the profession, of government, central bank or public authorities in general, the role of taxation and social charges etc.
- Its type: type of recruitment and qualification of the workforce, more or less detailed presence of social benefits, internal and external communication on the subject (social responsibility of the company)
- Its effectiveness: its relation with productivity, the collective working environment, effectiveness actually tested and examined or not, the role of accounting analysis, the allocation of bonuses, whether the unions are taken into account or not, the role of team leaders etc.

For an employer, economic performance and profitability are essential, but the question can remain about modes and volumes of remuneration, which are themselves a function of qualification, level of responsibility and apparent productivity (always difficult to define in monetary terms) of the employee

An elementary approach would make it possible to distinguish:

- Basic sectors with a large volume of insufficiently skilled labour, where the wage bill weighs heavily on costs (some metallurgical or textile branches),
- Capital and innovation-intensive sectors with low wage volumes and skilled and well-paid labor (chemistry-pharmacy)
- And services sectors with high added value (finance, consulting, surveys), which are very innovative and pay well for a highly skilled workforce that is likely to leave for competitors, but where the wage bill nevertheless represents half the costs.

One could imagine in order to deepen the analysis, to organise workshops (or interviews) with employers, HRDs and companies in general, local government decision-makers, trade unions, etc. The WAGE group is setting up a research programme on the wage strategy of companies and employees with professional unions and several companies located in the environment close to their members who are working on this topic.

## Conclusion

- The importance of wages for everyday life and for the global economy (40 to 50% of GDP)
- Wage growth rather indexed to the overall growth and productivity, then to the volume of employment, finally to prices
- The importance of public wage policy (public service, minimum wage, education system), of individual strategies (qualification), with help of unions and support of a positive wage strategy of companies

All these research programmes, surveys and exchanges are designed to create conditions in line with the ILO's objectives for a more efficient general wage strategy (see, for example, the theory of efficiency wages) in SMES, multinational corporations, public companies, associations, both beneficial to the profitability of the companies themselves and to the employees. With the wage bill representing half of the world's GDP, the leverage effect on economic growth and the general morale of public opinion seems to be obvious.

In advanced countries, it could help to reduce the slackness of part of the working population; in emerging countries, it could help to regulate significant differences between companies, regions, men and women, etc.