

Class Organization and Subjective Well-Being: A Cross-National Analysis

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Abstract

I examine labor organization as a determinant of cross-national variation in life satisfaction across the industrial democracies. The evidence strongly suggests not only that unions increase the satisfaction of their own members, but, critically, that the extent to which workers are organized positively contributes to the satisfaction of citizens in general, non-members included. These hypotheses are confirmed using both aggregate-level pooled time serial and individual-level cross-sectional data across a number of countries. These relationships are shown to have an impact that is independent and separable from other economic, political and cultural factors. The implications for the study of subjective well-being per se and of labor organization as a more general social phenomenon within class societies are discussed.

Recent decades have witnessed the emergence of an extensive social scientific literature on the socio-political determinants of life satisfaction. With the refinement of the tools necessary to measure with reasonable reliability and validity how satisfied people are with their lives, it has become possible to test theoretically derived hypotheses about the observable factors that tend to make people more satisfied in some societies than others. In sum, we are capable of measuring subjective quality of life across countries in a rigorous fashion, theorizing about the real world conditions that determine such differences, and testing the resulting empirical predictions (Veenhoven 1997b; Diener and Suh 2000; Frey and Stutzer 2002).¹

It is certainly a demonstrable fact that countries differ profoundly in their citizens' levels of satisfaction. One expects, of course, less satisfaction with life in poor countries compared to affluent ones, more satisfaction in democratic nations than authoritarian ones, less contentment in countries at war than those at peace, and so on. More intriguing are the dramatic differences in subjective well-being one observes across the peaceful, stable, affluent, liberal, democratic societies of Western Europe, North America and the Pacific. The magnitude of these differences is succinctly expressed by Inglehart and Klingemann (2000: 167), who note that survey research consistently shows that "the Danes are about five times as likely to report high levels of life satisfaction as the French or Italians, and about twelve times as likely to do so as the Portuguese." To take another instance, Veenhoven (1997a) notes that Swedes are seven times more likely to report the highest level of satisfaction with life than are the Japanese. On whole, the basic pattern, utilizing a variety of data sources and different points in time, suggests stark differences in societal levels of subjective well-being across the industrial democracies (E.G. Veenhoven 1997a, 1997b).

While extensive scholarly attention has been devoted to questions about how cultural, economic and political conditions determine cross-national differences in life satisfaction in

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affluent democratic countries, the literature has conspicuously failed to consider that such nations also have market economies. While the market doubtless contributes to human well-being in a variety of ways, it must also be recognized that market societies remain class societies. Simply put, modern capitalist democracies remain characterized by class and thus class conflict. This conflict is, in part, over the direction of public policy, but is also manifest within labor markets. The principal mechanism by which workers compete in these conflicts is, of course, through the institution of the labor union. The organization of labor is not only generally agreed to be an important phenomenon by social theorists of all persuasions, but large empirical literatures in sociology, economics and political science document how differences in the extent of unionization across countries affects a multitude of social outcomes. In this paper, I attempt to assess how the organization of workers affects international differences in satisfaction with life. To anticipate what follows, I argue that cross-national differences in the extent of labor organization play a significant role in determining why citizens in some nations tend to evidence greater subjective appreciation with life than those in others.

Labor Organization and Life Satisfaction

Unionization contributes to subjective well-being through a variety of mechanisms. Some are direct, in the sense that they affect organized workers as individuals per se. In this way, a society has greater average satisfaction as union density increases because the benefits of organization apply to a larger share of society's members. Others are indirect, affecting both the organized and unorganized. Aggregate levels of well-being thus increase with density because greater organization alters social arrangements so that they better contribute to a generalized improvement in living conditions. All are ultimately political in that union density itself is universally agreed to be substantially (though not entirely) determined by governmental policy (E.G. Western 1997).

Direct Effects

While it is often argued that the main sources of satisfaction come from outside work (Lane, 2000), it remains the case that work is one of, and perhaps the, central focuses of most people's lives (Seeman and Anderson 1983). Labor market participants certainly spend a large portion of their waking lives in the workplace. To the extent that the work experience is an agreeable one, people surely ought to be more satisfied over all. Empirical evidence confirms that intuition: job satisfaction is one the most important determinants of overall life satisfaction (Argyle 2001; Sousa-Poza 2000). Belonging to a labor union may tend, in turn, to increase job satisfaction (Pfeffer and Davis-Blake 1990).² The mechanisms are many, but the core relationships are clear enough: job security and a good work environment nurture satisfaction with one's job (Sousa-Poza 2000). Unions, of course, tend to increase the production of those goods. Through collective bargaining, the way in which the workplace is organized and governed is negotiated with results that are more likely to be consistent with the preferences of workers. Job security is similarly increased through contracts that provide protection from arbitrary dismissal. Members may also feel empowered by the existence of grievance procedures that give one the ability to appeal decisions made by employers. In all of these ways, labor unions facilitate the creation of a workplace that functions through "due process" with felicitous consequences (Sutton 1990). If unions contribute to job satisfaction, and if job satisfaction contributes to life satisfaction, then union members should demonstrate higher life satisfaction.

A closely related argument relates to the fact that unions may help reduce alienation by giving individuals a collective say in how the enterprise at which they work is managed. Individuals who are less alienated are, in turn, more likely to be more satisfied with their jobs, and thus, their lives. Alienating work imposes psychological costs on individuals that contribute to depression (Erikson 1986), job dissatisfaction (Greenberg and Grunberg 1995), and a general decline in life satisfaction (Loscocco and Spitze 1990). Similarly, it is widely agreed that autonomy on the job is vital for well-being. As Kohn et al. (1990: 964) put it, "occupational self-direction... affects values, orientations, and cognitive functioning" in exactly the way one would imagine: those who lack self-direction are more prone to psychological "distress" (anxiety and a lack of self-confidence). To be sure, alienation, and especially autonomy, are largely determined by occupation, but there are reasons to expect those represented by unions to evidence these pathologies to a lesser degree for any given type of occupation.

While the union workplace may, of course, actually reduce autonomy in the abstract – given that union rules are indeed more rules that must be adhered to – unions are also contextually more supportive of self-determination in two respects. First, they establish a degree of autonomy for their members through collective bargaining at a level that is almost by definition higher than in non-union workplaces. Workers thus rightly interpret autonomy as something collectively achieved, i.e. as a benefit of organization (Edwards, 1979). Further, as Fenwick and Olson (1986) observe, the experience of union membership fosters cognitive changes that encourage exactly the workplace participation that unionization allows, which may, in turn, foster more self-direction. To the extent that unions lessen alienation, it follows that we should again see a positive relationship between membership and well-being, net of other factors.

Unions may also contribute to well-being through their effect on another variant of connectedness. A large literature in social psychology has demonstrated that individuals are afforded some protection against the deleterious consequences of stress, and especially job related stress, through social support networks (Cohen and Wills 1985). Work, even enjoyable work, can be a major source of stress, particularly when performance affects one's livelihood. While support from all quarters is surely helpful, evidence suggests that buffering is most effective when the source of support is from the same domain as the source of stress. Work related stress, then, is best buffered by having sources of emotional support at work (Jackson 1992). Common sense would suggest that unions may facilitate such support, in that they help build not only connections, but also a sense of solidarity among coworkers. Indeed, Uehara (1990) goes so far as to specify "solidarity" as a critical agent in effective social support networks. By nurturing solidarity, unions may thus provide an ideal context in which to find the type of social support that helps insulate against work-related stress.

There are few rigorous empirical studies of the general role of unions, social connection and stress, but the extant literature does offer some evidence suggesting that unions facilitate both general social support (Lowe and Northcott 1988) and protection against job related stress per se (Brenner 1987). The evidence in regard to the effect of job stress on life satisfaction is clearer still. Loscocco and Spitze (1990) demonstrate that precisely the negative consequences for satisfaction that one would expect do in fact occur. Unions may thus again contribute to higher quality of life among their members.³

The arguments above bring us to social capital (Putnam 1993, 2000). At its core, "social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them." (Putnam 2000: 19) Generalizing slightly, the implicit idea at its most basic is that social networks facilitate positive psychological and cognitive changes in individuals that not only are politically desirable, but which are also conducive to greater personal well-being (Putnam 2000: 333-4). The literature, indeed, is unanimous in suggesting that social connectedness fosters greater subjective well-being. This argument is made most persuasively by Robert Lane (1976, 2000), who places the blame for declining

levels of subjective well-being in the United States and Western Europe on a growing “famine” of “interpersonal relationships” (2000: 9). A variety of other studies have documented the importance of social connection (Veenhoven 1996; Myers and Diener 1995).

That unions as organizations facilitate the building of social networks requires no elaboration. That they are likely as fraternal organizations to foster norms of reciprocity and solidarity is equally clear. We have already noted the positive effect of union membership on social connections in the workplace. We thus have reasons to hypothesize further that union members, given that they tend to enjoy their jobs more and to suffer from less work-related stress, to say nothing of having more social connections (and indeed more social capital), are likely to be better able to build and maintain intimate and rewarding relationships. Labor organization can thus affect the quantity and quality of personal connections between human beings, which in turn surely contribute to subjective well-being (Lane 2000). To the extent that social capital and social connectedness contribute to a better quality of life, we consequently return again to the hypothesis that labor organization promotes well-being.

Societal Effects

The social level of unionization should also contribute to people in general – rather than just union members – enjoying better lives. There are two mechanisms, neither of which require extensive elaboration. One is a simple contagion effect: if one’s own subjective well-being is to some extent determined by interactions with others – such that we are likely to be more satisfied ourselves the more we interact with other satisfied people – then those in countries with a higher proportion of more-satisfied-than-otherwise union members are likely to be more satisfied, on average, than those in countries with fewer proportional union members. This effect will be most apparent in the intimate relationships discussed above, but the logic extends to all forms of social interaction.

A more immediate argument relates to the political consequences of having a strong labor movement. One of the best-documented relationships in social science is that between the strength of organized labor and the generous social democratic welfare state that union movements tend to ideologically favor.” (Hicks 1999; Huber and Stephens 2001) This, of course, suggests that unions will contribute to satisfaction with life to the extent that the welfare state promotes subjective well-being. While Veenhoven (2000) fails to find the expected positive relationship between social democracy and satisfaction, Radcliff (2001) finds strong empirical evidence in support of the argument that decommodifying welfare states are strongly associated with greater well-being. Although the empirical evidence may be contradictory, there are good theoretical reasons to suspect that generous welfare states do foster greater well-being. As Radcliff puts it (2001: 941):

[It] is certainly the case that the great mass of citizens in the industrial world depend for their livelihood on the sale of their labor power as a commodity. The market for that commodity is characterized by uncertainty... Thus, as Lindblom notes, “a pertinent objection to markets is that they foist insecurities on the population” which become “all the more a problem when [one’s] livelihood is at stake.” (1977: 82) Thus so long as individuals depend upon the sale of their labor power in conditions of uncertainty “they are captive to powers beyond their control” such as business cycles, globalization, technological innovation, or other market vagaries (Esping-Anderson 1990: 37). Accordingly... it is the extent to which a program of “emancipation” from the market has been institutionalized within a given state that is the principal political determinant of subjective well-being. Put differently, life satisfaction should increase as we move from less to more social democratic welfare states.

If indeed social democracy does foster greater well-being, it clearly becomes necessary to separate the effect of unionization from the effect of the welfare provisions organized labor has traditionally supported politically. In other words, it is widely agreed that unions are among the most important causal mechanisms in the development of welfare states, so that if welfare states in turn produce greater satisfaction, then surely unions themselves contribute indirectly to satisfaction in this way. It is possible, thus, that unions might have positive consequences for subjective well-being only through this mechanism – meaning that it is ultimately the welfare state rather than unionization per se that is important in the immediate sense. Similarly, it is possible that Radcliff’s (2001) findings on social democracy are artifacts of failing to consider labor organization. In what follows, then, I attempt to analyze the possible effects of unionization on satisfaction and to examine the extent to which such effects, if any, are separable from those that may be provided by the welfare state.⁴

Analysis

The initial empirical analysis utilizes aggregate data on mean levels of life satisfaction for the 10 West European countries for which high-quality, comparable, time-serial data are available. The hypotheses developed above are then tested with individual level cross-sectional data on a wider sample of 17 industrial democracies.

Time Series Analysis: European Union

The most extensive set of comparable time serial data on subjective well-being are from the Eurobarometer. It contains a standard question commonly used to assess life satisfaction: “On whole, are you very satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the life you lead?” I utilize the national mean on this indicator with the response categories coded so that higher values indicate greater satisfaction. The data are from 1975 to 1992. The countries included are Belgium, Denmark, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands and Great Britain. Portugal and Greece are excluded due to missing data on other variables. The time series for Spain is shorter given its later entry into the EU. Multiple observations per year are averaged.

The principal independent variable is labor union density (Visser 1996). Two sets of control variables are also employed. The first are economic, given the body of evidence documenting that economic development and unemployment affect aggregate levels of satisfaction (Veenhoven 1995). These are operationalized, following the conventions of the literature, as real per capita GDP in purchasing power parity and the unemployment rate (in percent), respectively.

A second group of variables is required to control for the relatively fixed, social, political and cultural characteristics of a given country. The potential number of such variables is extremely large, but to the extent that they are indeed relatively constant for each country over the comparatively short time frame in question, the most convenient way to account for them is simply to fit a constant for each country by including dummy variables for each, excepting a reference category.⁵ The effect of the dummies is, of course, to fit separate intercepts for each country, thus accounting for the large and sustained differences in satisfaction that one might expect to result from different cultural and institutional contexts across countries. The nation dummies thus account for unmodeled structural difference across countries, including both the welfare state regime characteristics stressed by Radcliff (2001) and the various cultural interpretations offered by Inglehart (1990) or Schyns (1998). This “fixed effect” model has the further econometric advantage of accounting for the pooled

structure of the data. By controlling for sustained level-differences in the dependent variable that cannot be attributed to our economic control variables or to unionization, these terms also remove the possibility that unit effects could bias the resulting parameter estimates.

Estimation is with panel-corrected robust standard errors; a first order autoregressive parameter (common for all panels) is also fitted.⁶ The former accounts for the fact that the error terms are likely to be heteroskedastic and contemporaneously correlated across countries; the latter corrects for serial correlation. The dummy variables, as noted previously, further control for the pooled structure of the data.

Results are in column (a) of Table I. As is apparent, the union density term is significant and correctly signed. The implication is obviously that national levels of satisfaction vary directly with density, as predicted.⁷

Table I: Union Density and Life Satisfaction Pooled Time Series Analysis

	(a)	(b)
Density	.00322** (.00189)	.00267* (.00181)
Welfare Spending	n/a	.00009** (.00005)
Unemployment	-.01105*** (.00403)	-.01447*** (.00428)
GDP per capita	.00003*** (.00000)	.00001 (.00001)
Belgium	-.17181* (.11791)	-.23162** (.11888)
Denmark	.10848 (.13416)	.09862 (.12710)
France	-.35556*** (.00701)	-.44730*** (.00987)
Germany	-.23128*** (.08207)	-.26851*** (.08973)
Great Britain	-.12123* (.07586)	-.1110* (.07381)
Ireland	.03886 (.08011)	.03241 (.07903)
Italy	-.52972*** (.09236)	-.55021*** (.09933)
Luxembourg	-.09256 (.09232)	-.20170* (.13014)
Netherlands	.13949** (.06951)	.00725 (.01153)
constant	2.8234*** (.10501)	2.9441*** (.11524)
R-squared	.97	.97
N	151	149

Note: dependent variable is mean life satisfaction (1-4 scale). Estimation is with panel corrected standard errors with first order autocorrelation correction. Spain is the reference category for fixed effect estimates. *sig. at .10 level **sig. at .05 level ***sig. at .01 level

As noted above, the country dummies should account adequately for the different levels of welfare state development. We can thus be reasonably confident in suggesting that changes in the extent to which the labor force are organized have an effect independent of the characteristics of a nation's welfare state regime. Still, it would be ideal to test the robustness of the union impact on satisfaction by estimating its effect simultaneously with a time serial measure of welfare state generosity. Radcliff's (2001) purely cross-sectional analysis relies upon elaborate indices suggested by Esping-Andersen (1990), which are not available over time. A reasonable, if not ideal, alternative that is readily available is per capita welfare spending. I use this measure (expressed in constant 1985 purchasing power parity) as a surrogate for welfare state development. Utilizing this measure allows for a direct critical test between the unionization per se and the welfare state per se arguments in that both can be included in the same equation.⁸ Doing so, as reported in column (b) of Table I, indicates that density has a separable and independent effect from welfare spending in that the unionization coefficient remains significant, of the correct sign, and at about the same order of magnitude. Note too that welfare spending itself is also significant and correctly signed. In sum, the obvious conclusion is that both labor organization and the welfare state affect subjective well-being when controlling for the other.⁹

Perhaps the most profitable way of interpreting the magnitude of the impact of unionization on life satisfaction is to compute the expected change in satisfaction when moving between the maximum and minimum observed values on density in the sample. Doing so indicates a predicted difference of over one full standard deviation in satisfaction. The same calculation for unemployment, by comparison, suggests a change of just over one-third of a standard deviation. Clearly, then, union density has a substantive as well as statistically significant effect on the degree to which individuals tend, on average, to find their lives satisfying.

I performed a number of tests for stability. Each of the equations was re-estimated using bi-weight robust regression, a technique that is useful in demonstrating that results are not overly affected by particular data points; results are substantively identical. Results are also largely unchanged when reiteratively deleting (jack-knifing) all the observations for each individual country and re-estimating the equations: the mean of the density coefficient is essentially identical (.00322 and .00265 for models (a) and (b), respectively).

Individual-Level Data

While the pooled time series approach utilized above has obvious advantages, it also suffers from limitations. One is, of course, the aggregation to national means. While this approach is the standard one in the cross-national literature on subjective well-being, the analysis of individual-level data makes it possible to test the contention that both individual union membership and the social level of organization affect life satisfaction. Another advantage is sample: the longitudinal data are available only for nations comprising the traditional core of the European Union. Moving to a cross-sectional design (utilizing the 1990 wave of the World Values Survey) not only makes it feasible to use individuals as the units of analysis, but also allows the sample to expand to include the United States, Canada, Japan, Finland, Sweden, Austria and Portugal.

The basic individual-level determinants are those that relate to gender, age, income, education, and social connectedness (Myers and Diener 1995, Radcliff 2001). Using appropriate variables from the WVS, I thus provisionally treat life satisfaction (measured on a 10-point scale in ascending order) as a function of gender; age and age-squared; household income; education; and whether the chief wage earner is unemployed; whether respondent is married (or living as married); number of children; respondent's appraisal of the quality of

his or her “home life;” and frequency of church attendance.¹⁰ I also include the level of union density for 1990 (Visser 1996).

Estimation is with Huber-White robust standard errors, correcting for the pooled structure of the data (i.e., country-clustered). This procedure yields estimates that are robust to both between-country heteroscedasticity and within-country correlation (i.e. robust to error terms being neither identically distributed nor independent).¹¹

Initial results are reported in column (a) of Table II. As is apparent, both individual union membership and the aggregate level of labor union density are significant and positively signed. The implication is that members of unions are more satisfied with their lives than others and that all citizens are more satisfied as the general level of labor organization increases.¹² There are other national level factors which may affect quality of life. Three obvious national-level variables suggest themselves. Two are from the prior analysis: per capita GDP (in 1990 purchasing power parity) and aggregate unemployment. A third is a measure of national culture offered by Triandis (1989) that has been widely argued to effect aggregate levels of subjective well-being (Diener et al. 1995; Schyns 1995; Veenhoven 1997b; Radcliff 2001).¹³ Adding these variables produces results much as before: both individual union membership and aggregate union density remain significant and correctly signed (details not shown).

Returning to Radcliff’s (2001) argument about the centrality of the welfare state, column (b) reports the results when adding both the three variables noted above and the most important of the welfare state variables he relies upon: Esping-Andersen’s (1990, table 3.3) measure of the extent to which a nation’s system of welfare provision approximates the social democratic ideal; higher values imply greater institutionalization of social democratic practices. As the table illustrates, when included in the model the social democratic variable is itself significant and of the expected sign; more importantly for our purposes, its inclusion leaves the interpretation of the unionization term unchanged.¹⁴

Collectively, these results mirror those in the time serial analysis: both labor organization and the welfare state affect subjective well-being. Further, as we have seen, both individual membership and aggregate density have independent effects. People who belong to unions are more satisfied with their lives than those who do not, and all individuals tend to evidence greater subjective well-being in countries with greater levels of labor organization, irrespective of their own membership status.

Two final empirical observations before concluding. Given the necessity of modeling country-level variables, such as the level of social democracy or union density itself (which are constants for each country), it is not possible to “dummy out” the national-level characteristics as with the time serial analysis (as the dummies are of course also constants). However, it is possible to use this method to isolate the individual-level union membership contribution to life satisfaction. Thus, in Table III, I substitute nation dummies for the national-level variables. As is apparent, the union variable is, once more, significant and of the correct sign. This demonstrates, utilizing a different and arguably more demanding method of statistical control, that the individual-level relationship obtains.

It is also possible to further substantiate the claim that the national, aggregate level of labor organization improves the quality of life for both the organized and the unorganized by estimating the basic results when removing union members (and thus the individual union-membership variable) from the sample. Table IV reports the results when estimating the basic individual-level model when considering only non-union members. As is apparent, the implication is that higher levels of aggregate union density do indeed appear to affect the life satisfaction of non-members.¹⁵

Table 2: Individual-Level Analysis

	(a)	(b)
Union Member	.16365** (.05268)	.12440* (.06137)
Union Density	.00304* (.00112)	.00330* (.00159)
Social Democracy	n/a	.02441* (.01008)
Married	.08904 (.06514)	.08783 (.07783)
Gender	.03322 (.03035)	.06023* (.02635)
Education	.02057* (.00904)	.01356* (.00745)
Age	-.21485*** (.02773)	-.19999*** (.02954)
Age-Squared	.02741*** (.00372)	.02606*** (.00042)
Number of Children	.00495 (.01063)	-.02243 (.01050)
Home Life Quality	.50325*** (.04160)	.49945*** (.05277)
Income	.04601*** (.00975)	.04044*** (.01058)
Unemployed	-.22619*** (.04135)	-.28761*** (.04189)
Church Attendance	.09277* (.04198)	.14095*** (.03491)
Culture	n/a	.04706* (.02419)
GDP per capita	n/a	.00000 (.00001)
Aggregate Unemployment	n/a	.02651 (.0184)
constant	3.1277*** (.2845)	2.4788*** (.3328)
R-square	.29	.29
N	19982	16103

Note: dependent variable is satisfaction with life (1-10 scale). Estimation is with robust country-clustered standard

Table 3: Union Membership and Life Satisfaction LSDV Estimates

Union Member	.10257*
	(.05797)
Married	.10511
	(.06765)
Gender	.03428
	(.03295)
Education	.00632
	(.00720)
Age	-.22472***
	(.02804)
Age-Squared	.02781***
	(.00377)
Number of Children	.00007
	(.00935)
Home Life Quality	.49547***
	(.04390)
Income	.04686***
	(.00966)
Unemployed	-.24879***
	(.03669)
Church Attendance	.07640*
	(.03435)
constant	3.7597***
	(.32615)
R-square	.30
N	19982

Note: dependent variable is satisfaction with life (1-10 scale). Estimation is with robust country-clustered standard errors. Table does not include country estimates. The coefficients for country dummies follow (all are significant at .01 level): Austria (-.29), Belgium (-.23), Canada (-.13), Finland (-.21), France (-.68), Germany (-.20), Britain (-.40), Ireland (-.20), Italy (-.32), Japan (-.73), Netherlands (-.10), Norway (-.10), Portugal (-.67), Spain (-.40), Sweden (-.04), USA (-.20). The reference category is Denmark.

*sig. at 05 level **sig. at .01 level ***sig. at .001 level

Discussion

The principal empirical conclusions emerging from the analysis may be summarized easily. The pooled time series data clearly demonstrate that mean levels of life satisfaction vary directly with union density. This conclusion obtains when controlling for aggregate economic conditions and (through the country dummy variables) other long-term, relatively fixed national characteristics which might plausibly be thought to play a role. Crucially, it also remains true when simultaneously controlling for the differences in welfare state generosity that exist across countries. While welfare spending appears to contribute to national levels of satisfaction, the essential point is that the strength of the labor movement has a separable effect.

The individual-level analysis confirms the basic hypothesis that the general level of

Table 4: Union Density and Satisfaction among Non-Union Members

Union Density	.00376**
	(.00112)
Married	.01253
	(.08274)
Gender	.05222*
	(.02856)
Education	.01138
	(.08100)
Age	-.21542***
	(.03657)
Age-Squared	.02815***
	(.00400)
Number of Children	-.01314
	(.01270)
Home Life Quality	.50559***
	(.04294)
Income	.04592***
	(.00770)
Unemployed	-.23444***
	(.03088)
Church Attendance	.08673*
	(.03287)
Culture	.05329*
	(.02319)
GDP per capita	.00000
	(.00001)
Aggregate Unemployment	.03456
	(.0245)
constant	2.4577***
	(.18527)
R-square	.30
N	15632

Note: dependent variable is satisfaction with life (1-10 scale). Estimation is with robust country-clustered standard errors. Sample includes only non-union members.

*sig. at 05 level **sig. at .01 level ***sig. at .001 level

subjective appreciation of life is affected by the degree to which a nation's work force is organized. These data also corroborate the theoretical prediction that unionization affects not only the organized per se, but citizens in general. In sum, labor organization, whatever other consequences it may produce, does contribute to quality of life.

This conclusion would appear to be of some moment. It implies, most obviously, that the institution of the labor union is one with important felicitous social consequences. This point is especially important given that the organization of workers has ever been an ideologically contested practice in market economies.

This political ambivalence afforded labor movements is mirrored in the academic treatment of organization within the social sciences. As is typically the case for other ideologically relevant – and thus truly important – social institutions, unionization has been a scholarly as well as a politically divisive concept. The vast empirical and theoretical research on labor organization in the social sciences has often (though by no means always) had a latent (and often no doubt unintended) tendency to provide an empirical answer to the ideological debate about the desirability of unionization. While seldom expressed in so stark or explicit terms, it would be only a slight exaggeration to contend that economists, sociologists and political scientists have been involved in an implicit argument over the issue of whether unions are, in the end, good or bad. To be sure, the explicit focus of research has always been – and appropriately so – limited to ascertaining what the consequences of unionization were for particular, tangible phenomena, such as economic growth, unemployment, productivity, inflation, interest group activity, electoral participation, political sophistication or social stratification.

These are, of course, all vitally important questions which this paper does not speak to. Thus, while the analysis offered above tells us nothing about the possible impact of labor organization on, say, economic performance, it does imply that unions make a net positive contribution to quality of life. Thus, whatever deleterious or ambiguous consequences unions may well have for specific economic or social problems, they do appear to make a positive contribution to the degree that people find their lives rewarding. This hardly settles the ideological debate about the desirability of unionization, but it surely suggests at least one undeniably important dimension in which the consequences of organization are commendatory by any evaluative standard.

The analysis also speaks more specifically to the literature on subjective well-being by highlighting a conspicuous oversight in the field: the failure to take seriously the importance of social class. While the effect of income on satisfaction has been extensively examined (Schyns 2002), no study has, to my knowledge, hitherto explicitly considered the fact that citizens in market economies are not merely characterized by more or less income, they are also differentiated by the position they hold in the class structure inherent in capitalism. For the vast majority of wage and salary workers, the quality of that position is, in turn, partially determined by whether they are members of a union that both represents their interests and, through its organizational characteristics, provides psychological and emotional support mechanisms. At the collective level, national levels of unionization have potentially profound effects on all market participants, whether organized or not, for the reasons discussed previously. We know a great deal about all manner of social, cultural, demographic, economic and political factors that tend to influence life satisfaction across nations. The analysis offered here suggests not merely that we add labor organization to that list, but that we give more serious attention to the class-analytic perspective when theorizing about the determinants of subjective appraisal of life.

Notes

1. The intellectual infrastructure for studying subjective well-being is sufficiently developed and familiar as not to require extensive elaboration. A voluminous literature has documented that conventional survey items utilized to measure subjective well-being are reliable and valid (Myers and Diener 1997). After an exhaustive review, Veenhoven concludes that any misgivings about measurement “can be discarded.” (1996:4) Similarly, the collective evidence strongly endorses the proposition that linguistic or cultural barriers (including social pressures for over- or under-reporting self reported satisfaction) do not meaningfully detract from our ability to make cross-national comparison (Veenhoven 1996, 1997a, 1997b; and Inglehart 1990). Other literature, again conveniently summarized by Veenhoven (2002), convincingly argues for the theoretical appropriateness of *subjective*

measures of quality of life, such as satisfaction, as opposed to purely objective indicators (such as income or other measures of consumption).

2. An interesting paradox in the earlier literature arose from evidence suggesting that union members are more dissatisfied than non-members, but also that they are much less likely to quit than non-members (Freeman and Medoff 1984). This seeming contradiction was resolved by applying the “voice hypothesis,” such that unionization allows members to complain about their working conditions precisely because they are in a position to ameliorate them through collective action. Workers thus sought to improve their working conditions rather than “exit” because they could, and presumably, because they valued the job enough to try. There is also an endogeneity problem that Pfeffer and Davis-Blake (1990) successfully explain. The issue is nicely expressed by Clark (1996: 202): “if unions address worker dissatisfaction, the more dissatisfied workers will be the most attracted by union membership,” so that union shops will emerge in those industries, and under those employers, that create the most initial dissatisfaction. When controlling for this effect, Pfeffer and Davis-Blake demonstrate that “unionization has a significant positive effect on [job] satisfaction.” Similar evidence is provided by Bender and Sloane (1998).
3. Unions may also contribute to the well-being of their members, and perhaps to society at large, through their capacity (in varying degrees) as participatory institutions. It is often argued that participating in organizations such as unions tends to teach individuals cognitive and social skills. People learn how to communicate with each other as well as to analyze and solve problems better. Evidence also suggests that belonging to an organization helps individuals understand their preferences and interests more clearly. The participatory or developmental strand of democratic theory encourages worker participation and involvement in decision making in the workplace because such participation is believed capable of creating better citizens – citizens who are more sophisticated, more knowledgeable, more tolerant, and more civic minded (Pateman 1970). An extensive body of analysis generally supports the empirical veracity of this presumption (Radcliff and Wingenbach 2000). Thus, if participation in organizations contributes to human development, and if being a union member implies at least some degree of participation in the organization, then more union membership should mean more developed citizens. If we are willing to accept that more developed humans will tend to be more satisfied humans, then union membership should contribute to satisfaction in this way. Further, while they do not frame their argument in a developmental framework, Frey and Stutzer (2002) do demonstrate that institutional settings that foster greater democratic participation produce greater levels of subjective well-being. If so, then unions should similarly contribute, at least to the extent that they offer participatory opportunities.
4. Radcliff (2001) addresses the complication of distinguishing between social democracy and unionization only in passing, noting that the simultaneous inclusion of both union density and his original political variables reduces the latter (in two of three models) to insignificance with the union variable itself showing inconsistent effects. This may, in part, be due to his reliance on purely cross-sectional data. A portion of the analysis below relies upon pooled time series data, which may offer better prospects of disentangling unionization from the welfare state.
5. I have arbitrarily used Spain as the reference country, but results are, of course, not sensitive to the country so chosen: the parameter estimates of the variables of interest would be identical using any country.

6. Fitting a country-specific $\alpha(1)$ process for each nation produces similar results.
7. Results are substantively identical when including year as a control for time. Unionization remains significant, of the correct sign, and similar in magnitude, though the time variable itself is completely lacking in significance.
8. The most common method of measuring welfare state generosity has been as a proportion of GDP. While measuring welfare spending relative to the size of the economy is perfectly sensible when considering welfare "effort," per capita spending is more appropriate for considering the actual impact of state provision on people's lives. A country that spent a large share of its (per capita) GDP might indeed receive high marks for effort, but if its (per capita) economy were small, the net consequences for quality of life would also remain small. Note too that while the concept of "generosity" that spending captures is surely critical in assessing welfare states, it is often argued that the quality of social rights cannot be completely reduced to spending levels (Esping-Andersen 1990). I do not mean to suggest otherwise. It may well be that not all welfare dollars buy the same degree of market independence. Nonetheless, the correlation between the extensiveness of social rights and the amount of spending necessary to provide those rights is certain to be very high. Spending thus seems to be a perfectly plausible, if not entirely perfect, surrogate for market independence.
9. These results clearly speak to the disagreement in literature noted above on whether the welfare state contributes to greater satisfaction. I do not wish to make too much of this, however, as the arguments are complex, and adjudicating this point is not my purpose. For purposes at hand, it is only necessary to demonstrate that the effects of unionization obtain when controlling for the welfare state. I do not wish to advance strong claims about the role of the welfare state per se.
10. The variables with reference to the 1990 WVS (ICPSR 6160) are: life satisfaction (v96) 1-10 scale in ascending order: ("All things considered, how satisfied or dissatisfied are you with your life now?"); married (built from v181, 1 = yes or "living as married," 0 otherwise); number of children at home (built from v212); gender (v353) 1 = male, 2 = female; education (from v356) in seven ascending categories; quality of home life (v180) 1-10 ascending scale; age (v377) in six ascending categories; if chief wage earner is unemployed (built from v358, v360, v361) 1 = yes, 0 otherwise; household income (v363) in ascending 1-10 income ranges; church attendance (built from v147) 1 = once a month or more, 0 otherwise. With the exception of the addition of the age-squared (to account for the non-linear effect of age on satisfaction) and the addition of the unionization variables, this model is substantively identical to that proposed by Radcliff (2001).
11. Given that the response set for life satisfaction has a wide response range of 1-10, and that the wording of the question asks for a numeric score rather than a verbal ranking of the "somewhat satisfied," "very satisfied" variety, I assume a constant distance between response categories, and thus treat the dependent variable as interval rather than ordinal. This is the standard approach in the social psychology literature on satisfaction. The obvious alternative is to use ordered probit, though this might be peculiar with 10 response categories. However, the coefficients do display the same pattern of significance if using ordered probit.
12. This result is substantively identical when weighting the data to account for various sampling features in the data (see the discussion of weighting variable v376 in the WVS codebook). However, as the utility of weighting is uncertain in this application (it is by no means clear that one wishes to "give greater weight to [respondents in] the more populous countries" so that the *total* sample "approximates global reality" when considering national level forces), I have reported the unweighted results.
13. The Triandis (1989) index is an attempt to measure how "individualistic," as opposed to "collectivist" a given culture is. Individualistic cultures have been argued to encourage subjective well-being in that they provide greater independence to choose and achieve one's own life-goals.
14. Radcliff (2001) utilizes two other cross-sectional measures: Esping-Andersen's (1990, table 2.1) index of the de commodification of labor, and what he calls "left dominance" of government, defined as left- vs. right-wing party control of government in the post-WWII period. Substituting either for the social democracy variable reported yields similar results.
15. Results are similar if including Esping-Andersen's (1990) social democracy variable (as used in Table II, column (b)).

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