We observe a strong decline in union density for all sector groups in Austria, France, Germany, the UK and the US, while the decline is more moderate, albeit still visible, in Italy, Denmark and Sweden. Union density stagnated or even increased in Spain between 1980 and 2010, however not exceeding the comparatively low level of 20 percent.[40] In most countries union density began to decrease in the 1980s, with the exception of Austria, France and the US where it has been declining since the 1970s. Union density is highest in manufacturing sectors and lowest in low skilled service sectors. However, the latter group is also characterised by the smallest reduction in union density. Comparing countries amongst each other union density measured at the country level declined most strongly in Austria where we observe a reduction by 35 percentage-points between 1970 and 2011, followed by the UK and Germany where the reduction constitutes 24 and 18 percentage-points respectively.

Adjusted collective bargaining coverage also falls in most countries. The most drastic reductions in bargaining coverage can be observed in the UK, Germany and the US where it declined by 48, 27 and 18 percentage-points between the 1970 and the 2010s.

We observe an increase in social government spending in our sample period in most countries with the exception of Sweden and Denmark where the measure stayed roughly constant. Interestingly, while social government spending increased or stagnated, it's financing is more relying on workers income as can be observed by the increasing implicit tax rates for labour and consumption for all our sample.[41]

Personal inequality measured by the Gini coefficient increased in most countries with regard to its level in the 1980s, with France as the only outstanding exception. A similar pattern can be observed for the income share of the top 1 percent, this time Denmark being the exception from the rule of increasing top income shares.

4. Estimation Methodology

Our basic specification of the within sector wage share has the following form:

$$WS_{i,t} = \alpha_i + \alpha_g GROWTH_{i,t} + \alpha_k KnonICT_{i,t} + \alpha_{kict} KICT_{i,t} +$$
$$+ \alpha_{barg} BARGAINING_{i,t} + \alpha_{glob} GLOBAL_{i,t} + \alpha_{welfare} WELFARE_t +$$
$$+ \alpha_{financial} FINANCIALISATION_t + \alpha_{ineq} INEQUALITY_t + \varepsilon_{i,t} \qquad Equation\ (3)$$

where i is the sector index, t is the time index, and *WS* is the wage share in sector i. *GROWTH* is the first difference of value added of the sector in order to control for the counter-cyclical dynamics of the wage share. *KICT* and *KnonICT* are ICT (information and communication technology) and