

Summary

The ‘Kamer WO’ body of SoFoKleS, the social fund for the academic sector, has asked SEO Economic Research to carry out a comparative study of the wage structure of academic professions in the Netherlands in relation to that of other countries. The aim was to provide more insight into the relative position of Dutch universities on the academic labour market, a lack of information on this subject had to be filled. This report details the findings of the study, which involved the following countries: the United States, Great Britain, Switzerland, Germany, Belgium, France, Sweden and of course the Netherlands.

Overview of jobs and remuneration systems

Generally speaking, most countries have similar structures with three levels of hierarchy, in which the American titles are often used alongside the internal titles. However, the table shows that the French structure is slightly different, with just two levels for doctoral professions. Salaries in these two levels overlap partially; we have taken the overlap area to be the middle section of the job market for academics (senior lecturers).

International equivalents of Dutch academic positions

NL	Universitair docent	Universitair hoofddocent	Hoogleraar
Germany	Juniorprofessor, Wissenschaftlicher Assistant	Außerordentlicher Professor	Ordentlicher Professor
Belgium	Docent	Hoofddocent	Hoogleraar
Switzerland	Wissenschaftlicher Mitarbeiter, Assistenzprofessoren	Außerordentlicher Professor	Ordentlicher Professor
Sweden	Adjunkt (Junior Lecturer)	Universitetslektor (Senior lecturer)	Professor
UK	Lecturer (A-B)	Senior Lecturer / Reader	Professor
USA	Assistant professor	Associate professor	Full professor
France	Maîtres de conférences		Professeur des universités

In the Anglo-Saxon countries in particular, there are also major differences between the various universities. We decided that it was important to take this difference into account for the purposes of the study, so we made a separate category for top universities in the United States and the United Kingdom where possible.

In most Euro countries there is some kind of overlap between the various ‘salary scales’; the maximum wage for an assistant professor is higher than the minimum wage for an associate professor, etc. This is particularly so in Belgium. In Germany on the other hand, the wage of a ‘Juniorprofessor’ (assistant prof.) hardly increases at all. There are also substantial wage overlaps between the three positions in Switzerland and Sweden, but in the UK there is a significant difference between the assistant/associate positions and professors. The two top UK universities distinguish themselves by paying higher salaries than the others; however this difference is most clearly visible amongst professors. In the United States the salary range is by far the widest, the

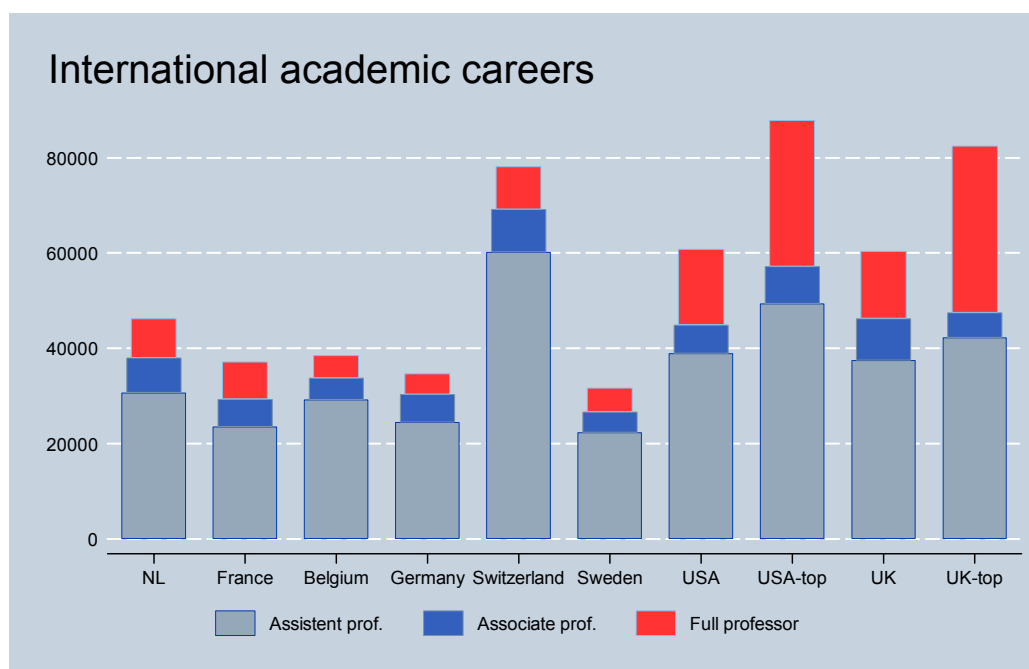
wage distributions of assistant and associate professors show strong overlaps, while professors clearly enjoy much higher wages.

Trying to make an international comparison of reference salaries threw up a significant problem: in Germany, a new system has been introduced (the ‘W-besoldung’), in which the only wage that is laid down is the minimum wage for each of the three categories. An average employee receives all kinds of bonuses on top of this, both collectively (depending on family status) and individually (based on performance and negotiation skills). We took the old system wages (without allowances) as our reference wages.

Correction for differences in standard of living and tax systems

International wage comparisons will always be affected by international differences in purchasing power and tax burdens, so we applied the relevant corrections to the reference wages we had previously established. Our corrections took into account the variations in progressiveness of the tax systems. The final reference wages are expressed in net amounts of Dutch euros (i.e. converted into Dutch purchasing power). In chapter 1 we explain these corrections in more detail. The final result is shown in the diagram and table below:

Reference salaries, net amounts in Dutch euros, 2007



Source: Own calculation SEO Economic Research (2007).

Reference wages after correction for purchasing power & tax differences (in Dutch euros)

	Assistent prof.	Associate prof.	Professor
NL	30,609	37,991	46,180
Duitsland	24,492	30,383	34,657
België	29,244	33,778	38,509
Zwitserland	60,158	69,118	78,068
Zweden	22,257	26,666	31,639
UK	37,424	46,261	60,314
UK-top	42,245	47,495	82,464
USA	38,948	44,932	60,801
USA-top	49,302	57,142	87,772
Frankrijk	23,546	29,316	37,118

Source: Own calculation SEO Economic Research (2007).

After our corrections for international differences in both purchasing power and tax deductions it appears that, in terms of net salaries, Switzerland compares well with the absolute top universities in the Anglo-Saxon countries, on the understanding that the reference wages for the assistant and associate positions in Switzerland are higher, but those of professors are slightly lower. Below Switzerland and the Anglo-Saxon top universities, we see the other Anglo-Saxon universities followed by the Netherlands. In the rest of Europe (France, Belgium, Germany and Sweden) academic staff receive lower basic wages than in the Netherlands.

After taxes, Belgian universities pay lower salaries than those in the Netherlands. The positive gross wage advantage of Belgian academics is completely absorbed by the relatively high taxes. In the USA and particularly at the top universities in both the USA and the UK, wages for professors are considerably higher than those for other positions; the wage profiles show a kink, as it were. Rewards for promotion from associate professor to 'full professor' are relatively high in these countries. Germany is a completely different story: wages appear to be relatively low, but this is because in our reference wage we could not take into account all the various individual allowances.

Fringe benefits

Finally, in chapter 5 we look at bonuses & fringe benefits (both collective and individual) and non-salary job characteristics that should also be taken into account when comparing labour market attractiveness between countries. One important point, for example, is the tradition in Belgium and the Netherlands of paying part of the salary by means of an end-of-year bonus in December and a holiday bonus in May. It could be argued that these sums should have been incorporated in our reference wages but we chose not to do so, as we agreed beforehand that for the sake of the comparison we would not include bonuses or allowances in any of the countries, though list them separately in chapter 5 as (collectively paid) bonus. Other differences exist in the shape of employer's pension contributions and schemes for parental leave. Some wages are subject to regional purchasing power allowances (London, Paris). University staff's appreciation of career prospects in Germany compares unfavourably with countries like the Netherlands, Belgium and the UK. Most countries also pay some kind of individual allowances (e.g. Germany) or provide room for sideline activities (e.g. USA).