Editors' Preface to Macmillan Studies in Economics

The rapid growth of academic literature in the field of economics has posed serious problems for both students and teachers of the subject. The latter find it difficult to keep pace with more than a few areas of their subject, so that an inevitable trend towards specialism emerges. The student quickly loses perspective as the maze of theories and models grows and the discipline accommodates an increasing amount of quantitative techniques.

'Macmillan Studies in Economics' is a new series which sets out to provide the student with short, reasonably critical surveys of the developments within the various specialist areas of theoretical and applied economics. At the same time, the studies aim to form an integrated series so that, seen as a whole, they supply a balanced overview of the subject of economics. The emphasis in each study is upon recent work, but each topic will generally be placed in a historical context so that the reader may see the logical development of thought through time. Selected bibliographies are provided to guide readers to more extensive works. Each study aims at a brief treatment of the salient problems in order to avoid clouding the issues in detailed argument. Nonetheless, the texts are largely self-contained, and presume only that the student has some knowledge of elementary micro-economics and macro-economics.

Mathematical exposition has been adopted only where necessary. Some recent developments in economics are not readily comprehensible without some mathematics and statistics, and quantitative approaches also serve to shorten what would otherwise be lengthy and involved arguments. Where authors have found it necessary to introduce mathematical techniques, these techniques have been kept to a minimum. The emphasis is upon the economics, and not upon the quantitative methods. Later studies in the series will provide analyses of the links between quantitative methods, in particular econometrics, and economic analysis.

MACMILLAN STUDIES IN ECONOMICS

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Labour Economics

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Contents

<i>Preface</i>	9
<i>Acknowledgements</i>	11
1 Labour Markets	13
Labour market models	13
Institutional forces in the labour market	14
The internal labour market of the firm	15
2 The Firm's Demand for Labour	19
3 Labour Supply	24
The individual's supply decision	24
Labour mobility	29
The local labour market revisited	31
The supply of labour to the firm	33
4 Wage Differentials	35
Occupational differentials	35
Inter-industry differentials	39
Geographical differentials	40
5 The Economics of Trade Unions	43
Trade union wage policy	43
The economic effects of unions	45
6 The Functional Distribution of Income	50
7 The Size-Group Distribution of Income	55
8 Unemployment	62
<i>Bibliography</i>	70

Preface

Labour economics, like most other branches of the discipline, involves the study of market behaviour. Its subject-matter includes choices made by firms about the amounts and types of labour that they buy, and the wages and salaries that they pay; choices made by individuals and families about their jobs; the economic behaviour of trade unions and its consequences; and the wider issues of wage structures of all kinds, the distribution of incomes from employment and their relation to incomes from other sources, and macro-economic features of wage and employment behaviour. The present study, however, is necessarily selective. Wage inflation is the subject of another study in this series, and is not dealt with directly here; but some of the themes developed with respect to the theory and operation of labour markets are, indirectly, at the root of recent controversies about inflation. Institutional aspects of the labour movement (issues of trade union structure and collective bargaining, etc.) are, for reasons of space, barely mentioned. Likewise, the technical approach to bargaining theory has been omitted; an adequate coverage of such analysis would require a separate study of considerable length.

Thus the present study cannot claim to be comprehensive. Rather its scope depends on a personal selection of those areas of theory and empirical research which are thought to be central to the understanding of labour markets in advanced capitalist economies. The emphasis throughout is on the criticism of traditional or 'neo-classical' theory in the light of modern research, rather than on its exposition. Hence the very scanty treatment of the marginal productivity principle itself, con-

done if not excused by the wealth of existing analyses, some of which are mentioned in the text.

Labour economics is increasingly seen as relevant in the wider context of economic theory as a whole (e.g. the revival of interest in distribution theory as a factor in economic growth models), and some significant social and economic problems (among others inflation, poverty and unemployment). At the same time the defects of traditional labour market theory are increasingly recognised. The aim of this study is to examine, briefly and selectively, some of the theoretical issues which have emerged.

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All remaining defects of style and content are entirely my own.

J. E. K.