The Economics of Trade Unions

The Economics of Trade Unions: New Directions

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PREFACE

The crisis in trade unionism is now a prevailing concern in the United States, as well as in Europe. Its main symptom is, of course, the decrease in union membership. Still, other, less observable elements account for the concern, namely the obsolescence of discourse, the decrease of militant motivation, and the question of efficiency of strikes or collective bargaining. One must keep in mind, however, that trade unions will evolve differently from one country to another.

What we know about trade unions has changed over the years. We can now more accurately assess the effects of union action, especially with regard to labor market, wages, and productivity. This book adds to the assessment by integrating the new theories of organizations, contracts, and property rights. In doing so, we shift from a study of markets to one of hierarchies. Thus, the current literature comes back to its sources (but with improved analytical instruments) by returning to the Ross-Dunlop debate on the *nature* of the trade union. This more complex outlook of trade unions as an organization—not only as an abstract or bodyless supplier of monopolistic labor—allows one to understand better the apparent differences between unions (mainly American) whose action is oriented towards work relationships and labor contract management and unions (European or “Latin”) who are closer to a pressure group wielding power on the political front.

This book is based on conferences held by the *Fondation Nationale d'Economie Politique* in Paris. The first part assembles empirical chapters dealing with the effects of unions on the labor market and the wage-strike-productivity nexus. The second part is more theoretical and, sometimes, even more speculative in character. It gathers several attempts at analysis of trade unions as organizations. Finally, the third part presents the prospects for research that stemmed from the conference work.

The ambition of this book, as well as the object of the conference at which it originated, was to investigate the present trends taken by the research into the economics of trade unions. Should the satisfaction of the readers equal the stimulation felt by the conference participants, our goals will have been surpassed.