Economics of Unions

Assignment

Your assignment is to analyze the assignment article using the economic concepts and theories covered in ECON 2P15.

You may use any style you prefer, such as MLA, APA, etc. You can use other resources in your answer, but they must be cited properly. Your assignment should be 1000 words.

***Concepts：***

**Readings:** A useful source for much of the theory and some of the empirical evidence considered in this course is **Benjamin, D., M. Gunderson, and C. Riddell**, *Labour Market Economics* (any edition). Toronto: McGraw-Hill Ryerson. This book is referred to as BGR for the remainder of the reading list and is on reserve in the library.

**1. Introduction to Industrial Relations in Canada**

Gunderson, M. and A. Ponak (eds.). *Union-Management Relations in Canada* (3rd edition). Don Mills: Addison-Wesley, 1995, Chapters 2, 3 and 4.

**2. Union Growth and Incidence**

**(a) Background**, Chapter 14 in BGR.

“Union Growth and Incidence”

**(b) Regression Analysis Background**

“Summary of Regression Analysis”, Appendix to Chapter 1 in BGR

**(c) Empirical Evidence**

Riddell, Craig W., “Unionization in Canada and the United States: A Tale of Two Countries”, in D. Card and R. Freeman, eds., *Small Differences that Matter: Labor Markets and Income Maintenance in Canada and the United States*. Chicago: University of Chicago Press, 1993.

**3. Wage and Employment Determination under Collective Bargaining**

**(a) Labour Demand Background**

“Demand for Labour in Competitive Labour Markets”, Chapter 5 in BGR.

**(b) Union Preferences Background**

Pencavel, J., *Labour Markets Under Trade Unionism*. Blackwell, 1991, Chapter 3.

**(c) Theory**

“Wage and Employment Determination Under Collective Bargaining”, Chapter 15 in BGR

**(d) Empirical Evidence**

* + - Martinello, Felice (1989), “Wage and Employment Determination in a Unionized Industry: The IWA and the British Columbia Wood Products Industry”, *Journal of Labor Economics*, 7(3): 303-330.
    - Boal, W. and J. Pencavel (1994), “The Effects of Labor Unions on Employment, Wages, and Days of Operation: Coal Mining in West Virginia”, *Quarterly Journal of Economics*, 109: 267-298.

**4. Union Impact on Wages**

* “Union Impact on Wage and Nonwage Outcomes”, Chapter 16 in BGR, pp. 544-566.
* Freeman, R.R. (1982), “Union Wage Practices and Wage Dispersion within Establishments”, *Industrial and Labor Relations Review* 36:3-21.
* Lemieux, T., “Unions and Wage Inequality in Canada and the United States”, in D. Card and R.B. Freeman, eds., *Small Differences that Matter: Labor Markets and Income Maintenance in Canada and the United States*. Chicago: University of Chicago Press, 1993.

**5. Collective Bargaining Disputes**

**(a) Background**

Gunderson, M. and A. Ponak (eds.), *Union-Management Relations in Canada* (3rd edition). Don Mills: Addison-Wesley, 1995, Chapter 14.

**(b) Legislative Impact**

Gunderson, Morley, John Kervin and Frank Reid (1989), “The Effect of Labour Relations Legislation on Strike Incidence”, *Canadian Journal of Economics*, 22(4): 779-794.

**(c) Alternatives to Strikes**

Currie, Janet and Sheena McConnell (1991), “Collective Bargaining in the Public Sector: The Effect of Legal Structure on Dispute Costs and Wages”, *American Economic Review*, 81: 693-718. (See also comment and reply, *AER*, March 1996.)

**6. Union Impact on Non-Wage Outcomes**

“Union Impact on Wage and Nonwage Outcomes”, Chapter 16 in BGR, pp. 566-82.

Freeman, R.B. and J. Medoff, “The Two Faces of Unionism”, *The Public Interest*, Fall 1979, pp. 69-93.