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The Dunlop Commission's Premise: A Tilted Playing Field?

by

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Abstract

This paper examines the premise that the "playing field" is tilted against labor, making union organizing and the exercise of collective voice difficult. There is broad agreement that the union organizing process is unnecessarily contentious, while nonunion labor relations is overly litigious and subject to costly regulation. Workers want both an effective voice in the workplace *and* a cooperative relationship with management, a combination realized in too few workplaces. Many of the changes recommended by the Dunlop Commission head us in a desirable direction. Although their recommendations would strengthen union organizing, the union sector will remain a small portion of the private sector labor force. Commission recommendations would do little to facilitate improvements in workplace communication, employee involvement, and labor-management cooperation in the large and growing nonunion sectors of the economy. A likely scenario is that we continue on our current path, one with a decreased role for collective bargaining, heavy reliance on government regulation and litigation, and an unfulfilled desire on the part of workers to have greater voice and cooperation in the workplace.

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Introduction

This paper examines what is an underlying premise of the Dunlop Commission Report – that the current "playing field" is tilted against labor, making union organizing and the exercise of collective worker voice difficult. In what will follow, the basis for this premise is examined, and Commission proposals are analyzed. There is little doubt, of course, that union organizing of the workplace has become more difficult during the 1980s and 1990s. If the premise of a tilted playing field means simply this, then it is surely correct. The paper addresses what are more difficult questions. First we ask: Is the playing field tilted against nonunion (i.e., unorganized) workers? We then turn to the question: Why has union organizing become more difficult? The answer to this question provides the starting point for an answer to our next question: Is increased tilt to the playing field a bad thing? It will not surprise anyone to realize that the answer given to this question is not an unambiguous yes or no. Discussion then leads to a series of related questions: Are substantial changes in current labor law needed? Would public policy changes proposed in the Dunlop Commission Report lead to an improved labor-management relations environment? What alternative policies may be preferable to those recommended or considered by the Commission?

Leaving aside for the moment the current political climate, the Dunlop Commission Report arrives at a propitious time. There is general dissatisfaction with the current system by all parties. Labor unions have seen their total membership and membership density decline steadily in most of the private sector. All parties agree that the union organizing process is one that is overly contentious and marked by tremendous conflict. There is strong support for the notion that the current legal structure surrounding collective bargaining, dating back to the NLRA of 1935, is outmoded and in many ways inappropriate for the workplace of the 1990s. Nonunion labor relations has become overly litigious and subject to detailed regulation (e.g., age and disability discrimination law, workplace safety, and pension and benefit rules). Workers want both an effective voice in the workplace *and* a cooperative relationship with

employers.¹ Yet this combination of voice and cooperation has not been realized in many if not most union and nonunion workplaces.

These are precisely the important issues that are addressed by the Dunlop Commission. As befits a government report, the recommendations offered by the Commission profess to offer net gains to both business and labor. That labor law reform might be seen as beneficial to all parties is either a testament to the inefficiencies in the current system, or a tribute to good report writing. The Commission's recommendations, however, are not likely to receive serious Congressional consideration in the immediate future, at least not in the form packaged by the Commission. The political shift to the right and the Republican majorities in Congress have upped the demands by business, while unions appear suspicious of, and reluctant to support, a far reaching reform of the NLRA. And most important, labor law reform is not near the top of constituents' list of concerns.

In what follows, section 2 addresses the question of whether nonunion workers are at a bargaining disadvantage vis-à-vis management, section 3 summarizes the recent deunionization of the private sector, and section 4 examines why the tilt of the playing field has steepened against organized labor. An overview of Commission recommendations is provided in section 5, followed by an assessment of these recommendations in section 6.

II. Do Unorganized Workers Face a Tilted Playing Field?

A rationale for the NLRA and the legal rights given labor to organize collectively was that absent such legal provisions, unorganized workers would be at a bargaining disadvantage relative to employers. The precise meaning of such an argument is not altogether clear. A lack of bargaining power often means little more than the fact that productivity and competitively determined wage rates are low. And the obvious truth is that throughout history, equilibrium wage rates in most labor markets have been extremely low, as compared to the standards of today's developed world. Substantial increases in earnings levels can rarely be effected through redistribution of factor shares; rather, earnings growth is

¹ This conclusion is based on results from The Worker Representation and Participation Survey, directed by Richard Freeman and Joel Rogers, and conducted by Princeton Survey Research Associates during Fall 1994. Results from the survey are summarized in Appendix A (pp. 63-65) of the Commission report.

determined primarily by real productivity growth. In short, labor as a whole obtains bargaining and earnings "power" through the interaction of a competitive labor market with many potential employers, the possession of relatively scarce skills for which there is high demand, and presence in an economy that is rich in productive capital and other resources.²

Valid arguments for facilitating labor "monopolies" or enhancing the bargaining power of organized labor groups can be made where there is considerable monopsony power on the part of employers. Empirical evidence for *long-run* monopsony power is meager. There *may* be some validity to the argument that earlier in this century large establishments and firms were able to hold down wages below competitive levels, and that enhanced union power via the NLRA was able to raise wage levels *and* employment, as theory would predict. But I know of no evidence supporting this proposition. A fairer interpretation is that factory labor was readily available, competitive wage levels were relatively low, and that the growth of union bargaining power facilitated a sharing of what were large rents and quasi-rents in many American industries. Traditional monopsony requires that there be large employers that dominate a labor market *and* that workers are neither geographically mobile nor able to train in alternative fields. Such monopsony is not important in the U.S. labor market today and can provide little support for government labor policy that enhances the strength of organized labor.³

Although traditional monopsony is not an important factor in the U.S. labor market, both employers and employees realize substantial quasi-rents owing to firm-specific skills, implicit long-run contracts (e.g., back-end loading of wages and fringes and labor hoarding over the business cycle), and substantial immobility of labor and long-lived capital. Although such arrangements need not be efficient *ex post*, they are generally efficient *ex ante* and in many circumstances will dominate textbook spot

² For a lively exchange on the inequality in bargaining power and the role of labor law, see Kaufman (1991) and Reynolds (1991). Kaufman (1994) provides an account of the evolution of thought among economists regarding the competitiveness of labor markets.

³ Boal and Ransom (1994) provide a comprehensive survey of the monopsony literature. In a carefully executed study, Boal (forthcoming) concludes that there is little evidence of monopsony power in the West Virginia coal industry at the turn of the century, where one might expect evidence for monopsony to be relatively strong. Recent empirical research on the minimum wage, which finds rather weak employment effects from recent increases in federal and state minima, has stimulated much theoretical work on how one might obtain monopsonistic outcomes in labor markets with general worker skills and many employers.

pricing of labor. Because workers and firms mutually gain from a long-lived relationship in many labor markets, issues concerning worker voice and participation take on increased importance. Unlike the textbook model, where entry and exit by workers provide adequate information to employers, long-term labor contracts imply that information regarding worker and employer preferences must be communicated primarily within the workplace.

An important insight of recent theoretical studies is that competitive labor markets need not produce an efficient level of worker voice or participation. Although models vary, a recent paper by Freeman and Lazear (forthcoming) illustrates the key point.⁴ In Freeman and Lazear, worker participation improves the quantity and quality of information and increases the "size of the pie" (i.e., the net surplus to the enterprise). Higher quality information includes both the transmission of worker ideas and preferences to decision makers, and the enhanced *credibility* of financial and business information transmitted from the firm to workers. But greater worker participation also increases worker bargaining power and labor's share of the enterprise surplus. Therefore, shareholder profits may decrease even though joint income to enterprise stakeholders -- shareholders plus workers -- has increased. Although efficient contracts that maximize the joint surplus *might* arise in such a situation, this outcome is not guaranteed. Indeed, Freeman and Lazear believe that worker voice is typically underprovided. Moreover, the outcome of increased worker participation may be sensitive to the mechanisms through which worker representation is determined (e.g., elected worker representatives versus random jury-style selection).

In answer to the question posed at the outset of this section, today's unorganized workers do not face a sloped playing field in the traditional sense envisioned by early proponents of the NLRA. But enterprises are likely to provide an inefficient level of worker voice and employee participation, and the quality and credibility of information transmitted between employers and employees may be sub-optimal. This suggests the *potential* for improvements where alternative participation and voice mechanisms can be developed. It does not follow that we can identify and implement public policies that will on net

produce superior outcomes.

Although our ability to identify appropriate public policies to enhance worker participation and voice is rather limited, a movement in such a direction may be preferable to the alternative. Absent confidence in workplace labor relations, we are likely to continue a reliance on regulations that legislatively mandate standards in the workplace. Rather than allow workers and firms to negotiate (implicitly or explicitly) all terms of labor contracts, we legislatively mandate policies with respect to such things as hours and overtime pay; discrimination on the basis of race, gender, national origin, age, and disabilities; workplace safety; notification of workplace dangers; plant closing notification; pension regulations; drug use (for selected occupations); and family leave policy. I support many of these policies and am not recommending a completely deregulated labor market. The point I am emphasizing is that there is likely to be substantial political support for government regulation of the workplace as long as worker participation and voice in the workplace is rather limited. And voluntary negotiated workplace policies may be preferable to increased reliance on regulation, uniform standards, and litigation.⁵

The Dunlop Commission Report states well many of the benefits of enhanced worker voice and participation, as well as the costs associated with the current system. As argued in section 6, however, there is little in the Commission's recommendations that would substantially bolster worker participation and voice among the overwhelming majority of the workforce that is and will remain nonunion.

III. Documenting Deunionization of the Private Sector

The decline in *private sector* unionization is one of the most important developments in the labor market during the past twenty-five years. Data collected in earnings supplements to the Current

⁴ A frequently cited paper by Levine and Tyson (1990) provides an alternative model in which voice is underprovided.

⁵ Of course, these are precisely the types of services that unions typically provide their workers. Ironically, government mandates in this area, strongly supported by organized labor, have almost certainly reduced worker support of and benefits from unionization. An explanation for union support of these policies, apart from that of union altruism, is that such policies are costly, and union firms that provide such "services" absent government mandates would be at a competitive disadvantage relative to nonunion firms.

Population Survey provides information on union membership density among private sector workers between 1973 and 1994 (see Hirsch and Macpherson, 1995). The percentage of employed wage and salary workers who are union members declined moderately during the 1970s, from 24.2 percent in 1973 to 21.2 in 1979. Since 1979, the decline in private sector union density has been steep and continuous, falling to a level in 1994 of only 10.8 percent. Union membership has declined from approximately 12.0 million private sector workers in 1983 to 9.6 million in 1994.⁶

At the same time that private sector unionism has been in decline, public sector union membership and density increased during the 1970s. During the 1980s and 1990s public sector density changed little, but the absolute numbers of union members increased along with the level of public employment (with growth being at the state and local level). Union membership density among public sector workers increased from 32.8 percent in 1977 to 35.9 percent in 1980, and in 1994 stood at 38.7 percent.⁷ Public sector membership increased from 5.7 million workers in 1983 to 7.1 million in 1994. Whereas public sector workers accounted for 32.4 percent of total union membership in 1983, by 1994, 42.4 percent of union members were employed in the public sector. It is important to note that unionization differs among public sector workers. Union density is relatively low among non-postal federal workers, somewhat higher among state workers, and substantially higher among local public sector workers. In 1994, union membership density among local public workers was 44.7 percent, and local workers accounted for 4.3 of the total 7.1 million public sector union members.

Changes in union membership reflect the difference between the flow of new union members and the flow of union employment losses. Changes in membership density reflect the change in membership relative to total employment.⁸ Although the loss among existing union jobs has played an important part in the decline of private sector unionism, more important has been the slow rate at which new jobs

⁶ Union membership and density figures, calculated from the Current Population Surveys, are presented in Hirsch and Macpherson (1995). Union *coverage* figures, which include non-members covered by collective bargaining agreements, are about 2 percentage points higher in the late 1970s, falling to approximately 1 percentage point higher in the 1990s. Coverage figures are available beginning in 1976.

⁷ Public sector *coverage* densities are 40.1 in 1977 and 44.7 percent in 1994. Public sector membership and coverage figures prior to 1977 are not comparable to later figures.

⁸ For a description and use of stock-flow models of union change, see Freeman (1988) and Dickens and Leonard

(workers) have been organized. Chaison and Dhavale (1990) show that the average number of annual union elections fell from 7,191 in 1975-81 (with a win rate of 47.6 percent), to an average 3,463 in 1982-87 (with win rate 36.9). The number of employees involved in elections fell even more, from an annual average 445,084 in the earlier period, to only 199,367 in the latter period. Incredibly, "NLRB- process" organizing activity fell roughly in half in a single discrete drop between 1981 to 1982. There was little trend in organizing activity within either the 1975-81 or 1982-87 periods.

It is often argued that structural changes in the economy have been a principal explanation for the decline in private sector unionization. While industry, occupational, regional, and demographic shifts in the labor force have played an important role, such shifts cannot explain most of the union decline. To illustrate this point, it is worth looking at changes over time in union and nonunion employment *within* industries. A strict structural hypothesis would suggest that union density within industries would have changed little over time, but that there has been a shift of employment from highly unionized to less unionized industries. In Table 1 we present the changes between 1983 and 1994 in total employment, union employment (members), nonunion employment (nonmembers), and union density for the U.S., divided into 22 roughly 1-digit industries. As can be seen, union density decreased in all industries except for those with exclusively or primarily public sector workers (public administration and education) and those with very low employment or CPS sample sizes (private households and forestry and fisheries). Most interesting, even in industries with growing employment, union membership typically fell or rose only slightly. And in industries with declining employment, union employment fell more rapidly than nonunion employment. These results are similar to those obtained using an even finer industry breakdown (Linneman, Wachter, and Carter, 1990). The pattern of union and nonunion employment changes within industries leads one to reject a strict structural explanation for union decline (for a formal analysis see, among others, Farber, 1990). Moreover, it leads to the conclusion that the so-called "deindustrialization" of America might better be characterized as a "deunionization" of the U.S. economy.

IV. Why Has the Tilt of the Playing Field Steepened?

Why the steady decline in private sector unionism? The simple arithmetic of declining membership (coverage) is that attrition of existing unionized workers (jobs) has exceeded the growth in new union members (jobs). This, of course, begs the questions of why attrition rates have been high and organizing and new union membership have been low. The causes are numerous and varied, and our knowledge as to the precise contribution of each factor is limited (for a discussion, see Fiorito and Maranto, 1987; Freeman, 1988; and Farber, 1990). It is argued below, however, that the increased competitiveness of the U.S. economy, coupled with competitive disadvantages associated with unionization, has been a principal explanation for the magnitude of union decline. The playing field has steepened for unions because unions "tax" company profits and resistance to the union tax has intensified in an increasingly competitive environment.

Slower employment growth among highly unionized industries and firms has been documented in the preceding section and in the research literature (Linnemeyan, Wachter, Carter, 1990; Dunne and Macpherson, 1994; Leonard, 1992), although there exists little clear-cut evidence of higher rates of business failure, even after controlling for establishment size (Dunne and Macpherson, 1994; Freeman and Kleiner, 1994).⁹ Part of the explanation is clearly structural, by which I mean sectoral shifts in the composition of industry demand, technologically induced changes in the occupational mix, and regional and demographic changes in the labor force. Employment growth has been slower in manufacturing and traditionally unionized industries for reasons other than unionization. Technological changes and uneven rates of productivity growth have increased the relative demand for white-collar and information-based workers with traditional low rates of unionization, while decreasing demand for production workers with traditional high union density. The proportion of the labor force that is female has increased, and women have lower rates of unionization.¹⁰ And employment has shifted from geographic areas with relatively

⁹ There appears to be little correlation between business failures and unionism, even after controlling for size (large establishments/firms are more likely to be unionized and less likely to fail). Freeman and Kleiner (1994) argue that unions will appropriate firm profits and may drive firms to the brink of bankruptcy, but rarely will cause businesses to fail.

¹⁰ Lower probabilities of union coverage among women appear to be related to differences in job mix and not

high to relatively low levels of union density.

Also important is a more general set of changes that might be considered "structural," – the increasing competitiveness of the U.S. economy resulting from international trade, deregulation of important industries, and technological change. Although the effects of trade on total employment are rather small (see Baldwin, 1995, for a survey), trade may have had a larger impact on union relative to nonunion employment. Evidence from U.S. manufacturing indicates that trade puts stronger downward pressure on union than nonunion wages, with such pressure ameliorated at high levels of industry union density (Macpherson and Stewart, 1990).

Although structural explanations are important, they do not constitute the entire or even primary explanation for declining unionization. Studies estimating the contribution of structural shifts to declining unionization typically conclude that only a modest share of the decline can be attributed to such shifts (Dickens and Leonard, 1985; Farber, 1990; Farber and Krueger, 1992). Of course, none of these studies account fully for all of the changes that might properly be considered structural (e.g., increased international trade and deregulation). Dunlop Commission member Richard Freeman (1988) has cast further doubt on the structural explanation based on the differential outcomes in Canada and the United States. Freeman argues that despite relatively similar structural changes in the two countries, Canada has displayed little union decline. He concludes that decline in the U.S. is due primarily to increased employer opposition. And in an influential work, Paul Weiler (1990), another Commission member, accepts the Freeman argument and argues for reforms in the NLRA that would constrain business unfair labor practices and enhance the organization process.¹¹

One of the more common explanations for union decline and increasing employer resistance to

gender per se.

¹¹ Troy (1992) has argued rather persuasively that the U.S.-Canadian comparison is not fully appropriate. Canadian union membership has shown little decline, argues Troy, because of rapidly growing employment in the highly unionized public sector and in unionized sectors of the "private" economy (e.g., the health care) that should be classified as public or quasi-public. Were appropriate data on union membership available for the Canadian private sector, net of what are publicly financed private jobs, Troy suggests that one would observe a pattern of union decline that largely mirrors the U.S. experience of declining unionization, albeit at a more modest pace. Riddell (1993) provides a formal analysis of union decline in Canada. He concludes that one observes similar U.S. and Canadian patterns of decline, but that the magnitude of decline in the U.S. is substantially greater than in Canada.

unionization is that this was a response to rising union wage premiums in the mid- and late-1970s. This explanation has considerable appeal. First, it is consistent with evidence on declining union density. The union wage premium explanation also can explain, at least in part, the pattern of interindustry changes, since union relative to nonunion employment fell most sharply within industries with rising relative wage premiums (Linneman, Wachter, and Carter, 1990). Similarly, union density appears to have declined relatively most in countries (such as the U.S.) with the highest union wage premiums (Blanchflower and Freeman, 1992). Moreover, the union wage premium story provides a fundamental explanation for what appears to be the most proximate cause of the decline in unionization – sharply increased management resistance to union organizing (Flanagan, 1987).

Despite the appeal of the wage premium thesis, I will argue that it should be considered as complementary to what I believe is a more fundamental explanation. Firms are interested not in minimizing wages, but in maximizing profits. What is critical, therefore, is not the union wage premium per se, but the relative profitability of union and nonunion companies. Although changes in profits and wages are obviously related, they need not move in tandem, unless of course all else is held constant. To provide an obvious example, demand shifts favoring a unionized sector may be consistent with larger union wage premiums, higher employment, *and* increased profitability (such a prediction follows from most rent sharing models).¹²

If changes in union wage premiums are the primary driving force behind the pattern of union employment changes, then there exists several puzzles in the data. Union wage premiums did rise in the mid-1970s, at least through 1978, but *declined* in 1979-1981 (Hirsch and Macpherson, 1995, Table 4), owing primarily to rapid rates of inflation and less nominal wage flexibility (or greater downward real wage flexibility) in the union than in the nonunion sector. By 1983, union premiums had risen again to the relatively high levels of the mid- 1970s, and then showed small declines through 1994. Is this pattern

For an analysis of the sharp decline in British unionization since 1980, see Disney, Gosling, and Machin (1994).

¹² Hence, it is important that demand shifts be controlled for when examining the correlation between union wage premiums and employment growth. This is done implicitly in Linneman, Wachter, and Carter (1990), since they examine relative rates of union and nonunion employment growth *within* industries.

of union wage premiums consistent with the pattern of unionization? At first glance, the answer might be no. Union membership density in the private sector showed little change in the mid-1970s when the union premium was rising, density began to decline in the late 1970s and early 1980s at the same time that the union premium fell, and then density fell steadily throughout the 1980s and 1990s despite relative stability in the union premium. In fact, the massive and discrete drop in union organizing activity between 1981 and 1982 (Chaison and Dhavale, 1990) immediately followed a period of relatively low union premiums. In short, there appears to be no strong contemporaneous correlation between short-run changes in private sector union wage premiums and union density.

A more flexible interpretation of the evidence lends greater credence to the wage premium explanation for declining unionization. It seems likely that declines in union employment and density would follow increasing premiums with a considerable lag, and that full adjustment would take several years to complete. By this reasoning, one might explain the steady erosion of private sector unionism in the 1980s and 1990s as a long-run response to the increase in wage premiums that occurred in the mid-1970s, and were largely maintained during the 1980s and 1990s. The dip in union premiums during 1979-81 can be regarded as an anomaly resulting from the high unanticipated rates of inflation during those three years. Although such an explanation is consistent with the union wage premium story, it does not explain the large discrete drop in union organizing activity in the early 1980s.

One might expect a closer link running from firm profitability to changes in union density than from changes in the wage premium to union density. In recent years, there has developed substantial and rather compelling evidence showing that unionization is associated with lower profitability, typically on the order of 10-15 percent, in average union as compared to nonunion firms (Hirsch, 1991). The profitability results are robust. They have been obtained using industries, firms, or lines-of-businesses (LB) as the units of observation. And the negative association of profitability and unionization exists when focusing on measures of accounting profits (e.g., price-cost margins with industry data and returns on sales or assets with firm and LB data), company market value measures (Tobin's q or excess returns),

or abnormal stock returns (in events studies of new union elections).¹³

An obvious inference from the profitability evidence is that the lower profitability of unionized companies has been an important determinant of declining union employment. This argument would be more compelling if more direct links could be developed showing that the timing of union employment changes corresponds to changes in profitability, or that union companies with the lowest returns subsequently have employment declines. Unfortunately, there exists little evidence on union profitability effects *over time*, or on the direct link between profitability and union employment changes. The exception is Hirsch (1991, p. 50), who provides estimates of union effects on Tobin's q and the returns to capital for about 500 companies, by year, for 1968-80. Although there exists modest year-to-year variability in union profit effects (as expected), there is no obvious trend over time. In subsequent unpublished work, Hirsch extends the analysis to later years and finds a small reduction in union profit effects between 1977 and 1987. More direct evidence is provided in Hirsch and Morgan (1994), who find that changes in firm-level union density during 1977-1987 were positively (albeit rather weakly) related to firms' market rates of return in the 1970s.

As long as profitability is lower among unionized companies and lines-of-business we might expect continued management resistance to unionization. Note that union membership decline takes three principal forms – slow growth or decline in employment in existing union workplaces; shifts of capital, production, and employment to nonunion facilities; and the opening of new workplaces that are born nonunion and remain nonunion. Recent research (Hirsch, 1991, 1992; Becker and Olson, 1992; Bronars and Deere, 1993) also indicates that unionized companies invest significantly less in both physical capital and innovation capital (e.g., R&D), therefore leading to slower output and employment growth. Lower investment results from the fact that unions "tax" some share of the quasi-rents that make up the normal returns to long-lived and non-portable capital (Baldwin, 1983; Grout, 1984; Hirsch, 1992; Bronars and Deere, 1993). What appears to be an increase in the price of labor is in part the proceeds from a tax on capital. Hence the usual microeconomic prediction that union wage increases lead to

¹³ A summary of the early evidence is contained in Addison and Hirsch (1989). More recent studies include Hirsch

higher capital intensity need not follow.

Particularly difficult to appraise is the importance of changes in the legal environment. It is certainly correct that management opposition to union organizing increased sharply during the 1980s, the number of unfair labor practices increased, and Republican appointments to the NLRB have not viewed as their primary mission the facilitating of union organizing. But management behavior is not determined in a vacuum, and is likely to be affected greatly by the relative benefits and costs of its union-related activities. Increased management opposition to unions is related not only to changes in the NLRB interpretations and enforcement of labor law, but also to the increased competitiveness of the U.S. economy and the costs associated with unionization.¹⁴ That being said, one can see a clear shift in NLRB decision making during the Reagan years (Sockell and Delaney, 1987), and this shift coincided with a sharp decline in union organizing. Although it is difficult to determine how much of the long-run economy-wide decline in private sector unionism can be attributed directly to Board decisions and sentiments, one can identify specific examples. For instance, Allen (1994) has argued persuasively that the Kiewit decision (decided by the NLRB and reviewed by the Supreme Court), which permitted expanded use of double-breasting, substantially weakened union bargaining power and organizational strength in the construction industry.

Of course, employer actions are also affected by prevailing political and public attitudes, independent of NLRB decision making. The firing of striking PATCO air controllers by President Reagan signaled to the business community that strong opposition to unions was now respectable behavior, at least within those circles in which business leaders frequent. The number of workers participating in union representation elections fell nearly in half within a one-year time period from its previous level, and has not rebounded since. This discrete drop in elections reflected the correct belief of labor unions that the probability of successfully organizing new and existing workplaces had ratcheted down. I would be reluctant to argue that the actions of the President ranked in importance with the

(1991), Becker and Olson (1992), and Bronars, Deere, and Tracy, 1994).

¹⁴ For a similar conclusion, see Flanagan (1987), who argues that increased management opposition is largely the result of increasing union wage premiums and not the actions of the NLRB.

underlying economic forces leading to falling private sector unionism. But his actions and the tone of his administration certainly unleashed business opposition to union organizing and accelerated the decline of unionism.

One of the more important forces in determining union organizational strength and the decline in private sector density is the role of worker attitudes and preferences. The econometric literature generally has treated this as a residual; that is, changes in unionism *not* resulting from *measurable* changes in worker, job, or labor market characteristics are attributed to changing worker sentiment (or other unmeasured changes). Work by Farber (1990) and Farber and Krueger (1992) indicates that much of the union decline cannot be accounted for by measurable changes and suggests rather strongly that a decreasing willingness of workers to support unions or work in union jobs has played a key role in unionism's decline. It is worth noting that increased management opposition to unions can decrease workers' willingness to support union organizing. As suggested by the Freeman-Rogers survey, workers support active participation and worker voice, but do not want a confrontational relationship with management. What appears to be a change in worker sentiment, therefore, may reflect in part changes in the labor relations environment.

A final possible explanation for union decline and the decrease in worker support has been the expanding role of government and the courts in providing *all* workers, union and nonunion, with rights and protections in the workplace. As discussed previously, it can be argued that union organizing has been made more difficult owing to government provision for all workers what were once "services" provided primarily by unions to their members. These services include protection against various forms of discrimination, worker safety, advance notice of plant closings, warning about dangerous workplaces, mandated family leave, and a general weakening of the employment at will doctrine. Unfortunately, it is difficult to assess the impact of government workplace mandates or regulations on union organizing. Indeed, it is likely that causation works in both directions, with the decline in economy-wide union

density increasing the appeal of government mandated workplace regulations.¹⁵

We are now ready to answer some of the questions posed in the introduction. The tilt of the playing field, which refers in this section to the difficulty faced by labor unions in maintaining membership and organizing the workplace, has unquestionably steepened. Structural changes in the U.S. economy, the increased competitiveness of product and labor markets, the substantial tax on profits associated with unionism, the substitution of legislation and regulation for union representation, changes in NLRB interpretation and enforcement of labor laws, negative political sentiment toward unions in Washington, and changes in worker attitudes toward unionism all interacted to sharply reduce private sector union density to a new steady state that has not yet been reached.

Although the playing field has steepened, this is not altogether a bad thing. Union appropriation of profits, which reflects in part a tax on the returns to tangible and intangible capital, lead to lower investment and contraction of the union sector.¹⁶ By this argument, the negative aspects of unionism are self-correcting since noneconomical unionism erodes over time and production shifts to nonunion workplaces. But of course the transition from a highly unionized to a low unionization environment is not without substantial costs. More fundamental is how unions affect the workplace. Despite much empirical work examining labor union effects on productivity, the literature does not provide an unambiguous answer. My reading of the evidence is that *on average*, union effects on productivity levels (i.e., technical efficiency) are close to zero (see Addison and Hirsch, 1989; Hirsch, 1991). This by no means implies that unions do not affect behavior in the workplace but, rather, that unionism sets in motion a number of actions that both enhance and detract from productivity. In many workplaces, unionism is associated with significantly higher productivity (although rarely enough to offset the higher costs), while in other workplaces productivity is lower. It is important to note, here, that the union productivity effect is not a given, but rather is affected by the interaction of union effects on the

¹⁵ Declining union density, however, is likely to weaken the political influence of unions on legislation. For attempts at measuring the substitution between government policies and changes in union membership, see Neumann and Rissman (1984) and Stepino and Fiorito (1986).

¹⁶ This same argument need not apply to the extent that unions capture pure rents. Monopoly rents, however, do not constitute the major source of union gains in most sectors of the economy (Hirsch, 1991).

workplace (e.g., work rules, the formalization of workplace governance structure), the exercise of collective voice, and, importantly, management response to and interaction with its union. Management resistance to or lack of cooperation with a union can decrease productivity in the short (if not the long) run.

Economic and political forces are such that private sector unionism will continue its decline for several more years before reaching a new and lower steady state. There is nothing on the immediate horizon to suggest that there will be a revival of unionism, at least not in its traditional form.¹⁷ Nor is it likely that the modest changes in labor law recommended by the Dunlop Commission Report (discussed below) would substantially increase union coverage. Whatever the merits and demerits of American unionism, it is clear that unions will be important for a relatively small minority of U.S. private sector workers. Should we be concerned by the relatively weak role to be played by labor unions? For a number of reasons, I believe the answer is yes. Unions provide a formal mechanism for worker voice, facilitate formalized governance structures within firms, and establish and enforce workers' rights in the workplace. As discussed previously, we are increasingly relying on governments and the courts to both define and enforce worker rights in the workplace. Not only is such an approach by its very nature costly, intrusive, and overly litigious, it does not encourage at the enterprise level an exchange of ideas, and the weighting of preferences by the firm and its workers. Yet given the absence of unions or alternative mechanisms for independent worker voice in much of the workplace, it is inevitable that government will continue to play a primary role in defining rights in the workplace. This is an outcome that is not likely to satisfy management or workers. We clearly forgo the considerable gains that *might* be achieved through increased communication and effective voice in the workplace. This is the predicament both recognized and addressed by the Dunlop Commission Report. We turn below to their recommendations.

V. An Overview of the Dunlop Commission Report and Its Recommendations

¹⁷ Before attaching much weight to this conclusion, recall the Niels Bohr line: "Prediction is difficult, particularly of the future." (quoted in Levine, 1995, p. 161).

The charge of the Dunlop Commission was to address the following three questions:

1. What (if any) new methods or institutions should be encouraged, or required, to enhance workplace productivity through labor-management cooperation and employee participation?
2. What (if any) changes should be made in the present legal framework and practices of collective bargaining to enhance cooperative behavior, improve productivity, and reduce conflict and delay?
3. What (if anything) should be done to increase the extent to which work-place problems are directly resolved by the parties themselves, rather than through recourse to state and federal courts and governmental bodies?

The Dunlop Commission's recommendations rest firmly on the belief that increased cooperation between labor and management has proven to be successful and is a worthy goal. Quoting from the report: "As reported in the Commission's May 1994 Fact-Finding Report, there is a solid base of experience on which to build more cooperative and productive workplace relations in the United States – the innovative partnerships in collective bargaining and the array of employee involvement programs operating in many workplaces across the country. ... Our recommendations build on the positive experiences with productive and cooperative worker-management relations, support their adoption in additional employment settings, and encourage further experimentation and learning." (p. xvi) The Commission additionally attempts to address the issues of conflict in union organizing campaigns, high levels of litigation, regulatory complexity, contingent workers, and inequality in the workplace.

The Commission's recommendations are grouped by category. First are those intended to encourage "New Methods or Institutions to Enhance Workplace Productivity." The following three recommendations are presented (p. xvii):

- (1) Clarifying the National Labor Relations Act (NLRA) and its interpretation by the National Labor Relations Board (NLRB) to insure nonunion employee participation programs are not found to be unlawful simply because they involve discussion of "terms and conditions" of work or compensation as long as such discussion is incidental to the

broad purposes of these programs. At the same time, the Commission reaffirms the basic principle that these programs are not a substitute for independent unions. The law should continue to make it illegal to set up or operate company-dominated forms of employee representation.

(2) Updating the definitions of supervisor and manager to insure that only those with full supervisory or managerial authority and responsibility are excluded from coverage of the law. We further recommend that no individual or group of individuals should be excluded from coverage under the statute because of participation in joint problem-solving teams, self-managing work groups, or internal self-governance or dispute resolution processes.

(3) Reaffirming and extending protections of individuals against discrimination for participating in employee involvement processes and for joining or drawing on the services of an outside labor or professional organization.

The second set of recommendations is categorized under the heading, "Changes in Collective Bargaining to Enhance Cooperation and Reduce Conflict and Delay." The following four recommendations are presented (p. xviii):

(4) Providing for prompt elections after the NLRB determines that sufficient employees have expressed a desire to be represented by a union. Such elections should generally be held within two weeks. To accomplish this objective we propose that challenges to bargaining units and other legal disputes be resolved after the elections are held. Beyond the reversal of the Supreme Court's decision in *Lechmere* so that employees may have access to union organizers in privately-owned but publicly-used spaces such as shopping malls, access questions are best left to the NLRB. The Commission urges the Board to strive to afford employees the most equal and democratic dialogue possible.

(5) Requiring by statute that the NLRB obtain prompt injunctions to remedy discriminatory actions against employees that occur during an organizing campaign or negotiations for a first contract.

(6) Assisting employers and newly certified unions in achieving first contracts through an upgraded dispute resolution system which provides for mediation and empowers a tripartite advisory board to use a variety of options to resolve disputes ranging from self- help (strike or lockout) to binding arbitration for relatively few disputes.

(7) Encouraging railroad and airline labor and management representatives to implement their stated willingness to seek their own solutions for improving the performance of collective bargaining in their industries.

I will concentrate my attention on these two groups of recommendations. The Dunlop Commission Report, however, provides eight additional recommendations falling under the heading of "Increase the Extent to which Workplace Problems are Resolved by the Parties." These recommendations are intended to encourage the development of private dispute resolutions procedures, experimentation with workplace self-regulation procedures with respect to such things as safety and health, and the creation of employment rights and standards for contingent workers. Finally, the Dunlop Commission Report outlines ten "Goals for the 21st Century Workplace." These largely reiterate those goals addressed in the Commission's recommendations, all of which will require continuing assessment and public dialogue.

VI. An Assessment of the Commission's Recommendations

Central to the Commission's recommendations is the premise that increased worker voice and labor-management communication increases social welfare. A strong theoretical case can be made for the position that an unregulated competitive labor market will "underproduce" workplace voice,

communication, and cooperation (Levine and Tyson, 1990; Freeman and Lazear, forthcoming). The case for encouraging increased worker participation is further buttressed first by the apparent desire of a large majority of workers to have increased workplace voice *and* cooperation with management (Freeman and Rogers, The Worker Representation and Participation Survey, as summarized in Appendix A, pp. 63-65 of the Commission report), and second by the belief that union and nonunion workplaces are over-regulated, overly litigious, and too often characterized by contentious labor relations.

Although there exists a *potential* for Pareto-improving worker voice systems, it does not follow that such systems can necessarily be accomplished through legislative changes. Passage of the Commission's recommendations may in fact point us in this direction, but such a result is hardly assured.¹⁸ While there exists a potential for efficiency-enhancing outcomes through expanded worker voice, the evidence on existing worker participation programs is not nearly so clear-cut as the Commission's review suggests. In fact, the empirical evidence on participation programs is rather mixed and does not provide a particularly strong foundation for the Commission's recommendations.¹⁹

Although empirical evidence is not overwhelming, I accept the premise that enhanced worker voice and greater labor-market cooperation are desirable, on noneconomic as well as economic grounds. In fact, I am rather sympathetic to many of the Commission's recommendation, although not overly optimistic that net benefits from their adoption will be large.

In the analysis that follows, my basic theme is as follows. Many of the changes recommended by the Commission head us in a desirable direction. But in the end, they will lead to relatively too few improvements in workplace communication, employee involvement, and labor-management cooperation in the large and growing nonunion sectors of the economy. On the other hand, while the Commission's recommendations would strengthen union organizing ability and limit unfair labor practices, the union sector will remain a relatively small portion of the private sector labor force. If this assessment is

¹⁸ It is worth noting that similar efficiency-enhancing theoretical arguments can be made for labor unions (Freeman and Medoff, 1984). It does not follow that unions and our existing labor relations system have enhanced efficiency on net.

¹⁹ For a far more balanced assessment of the evidence from a strong proponent of increased worker participation, see Levine (1995). Addison (1995) summarizes evidence on German works councils.

correct, then implementation of the Commission's recommendations would do little to change the status quo. If I am wrong and the changes were to significantly enhance labor unions' organizing strength, then enhanced voice will have been encouraged only when accompanied by an institutional form associated in the past with much conflict and few gains to economy-wide efficiency.

The Commission's recommendations do too little to facilitate the growth of employee involvement in nonunion companies. Repeal or major revisions in Section 8(a)(2) of the NLRA, which currently prohibits employer-sponsored programs from engaging in activities and services similar to that of independent employee labor unions, might have encouraged such growth.²⁰ But the Commission was unwilling to recommend the crippling of Section 8(a)(2). Rather, they simply asked for a modest clarification that would allow discussion of terms of work and compensation where such discussion is incidental to the broader purposes of employee involvement programs. At the same time, the Commission conspicuously reaffirmed the intent of 8(a)(2) by which employer-sponsored programs should not substitute for independent unions. The Commission continues the current ban on "company unions" by declaring, "The law should continue to prohibit companies from setting [sic] up company dominated labor organizations." (p. 8). By sticking with 8(a)(2), the Commission may have foregone their one major opportunity to substantially expand worker participation programs in the close to 90 percent of the private sector jobs that are not unionized. Their reluctance to do so may also have doomed the Commission's proposals to political oblivion, since absent the repeal of 8(a)(2) business and conservative politicians are unlikely to provide support.²¹

Although not going far enough regarding 8(a)(2), other Commission recommendations are eminently reasonable. They recommend reducing the scope of the supervisory and managerial exclusions

²⁰ It is difficult to know the extent to which 8(a)(2) discourages worker participation within union and nonunion firms. Following an analysis of NLRB cases, Rundle (1994) argues that there is little evidence for the view that 8(a)(2) has discouraged worker participation programs.

²¹ An alternative interpretation is that Commission members feared (with some justification) that Congress might support the repeal of 8(a)(2) while at the same time rejecting most of their other recommendations. The Teamwork for Employees and Management (TEAM) Act, introduced in both the U.S. House and Senate, amends 8(a)(2) by permitting (i.e., not declaring as an unfair labor practice) employers to establish, assist, maintain, or participate in employee organizations, other than labor unions, in which workers participate to address matters of mutual interest,

of the NLRA, so that employees who are not primarily supervisors or managers can simultaneously participate in decision-making at work while at the same time not be stripped of collective bargaining rights. This issue has grown in importance since increasingly supervisory and managerial functions are diffused throughout the workforce, while at the same time the NLRB and the courts have retained a fairly rigid interpretation of the law. I find the Commission's recommendation and discussion of these issues persuasive.

I also find reasonable the Commission's proposal to authorize pre-hire agreements, by which companies can negotiate contracts with a union wanting to represent the workforce at a new operation. Employers would be permitted to recognize the union prior to the opening of operations. The union would be required to demonstrate majority support of the workforce within a year of the opening of operations. Such a safeguard would offer reasonable protection to workers against representation by a union they do not support. Because companies have been relatively successful at keeping new operations nonunion, the bargaining chip of a pre-hire agreement may foster increased cooperation and flexibility by unions in existing unionized operations. It is likely to strengthen union organizing strength.

The Commission provides a number of other recommendations that would strengthen union organizing abilities. They recommend that representation elections be held promptly following petition, typically within two weeks. In order to do so, representation elections would need to proceed *prior* to legal hearings on issues such as the scope of bargaining and the like. The Commission provides as their rationale the scaling down of the scope of campaigns that are often heated, contentious, and destructive to the health of the long-run relationship of labor relations in the firm. The Commission believes that short campaigns would reduce sharply the conflict seen in current campaigns. They also argue that the number of legal issues raised at hearings and the attaching administrative costs of the system would be substantially reduced, since many legal issues now raised are done so with the principal intent of delaying the election date. Left unsaid in the Commission report is the clear-cut finding from researchers (Fiorito and Greer, 1982; Heneman and Sandover, 1983) that union win rates in elections *decrease* with

broadly defined.

time between petition and election.²² I believe it is reasonable to allow elections prior to settling all contested legal issues, since a predictable and more timely date of election would be likely to reduce conflict. Such a move would unquestionably reduce issues raised at hearing since the winning party would have little incentive to raise challenges, and the losing party would not raise issues that could not have affected the outcome. I would argue for a longer time period, however, say, a maximum four to six weeks rather than the two weeks proposed by the Commission. This strikes me as a more reasonable time period over which both sides could campaign and would constitute a shortening from the current average of about seven weeks between petition and election (p. 18 of the *Report*).

The Commission recommends that there be quick injunctive relief against discriminatory actions by employers. Remedies currently available to the Board are primarily remedial and reparative, while not providing strong deterrent effects on employer unfair labor practices. The high and increasing level of discriminatory discharges by employers supports the argument that sanctions for violating current labor law are relatively weak. The Commission recommends that section 10(l), which currently provides swift, mandatory injunctive relief to employers in the event of certain union violations (e.g., secondary boycotts), also be made available to employees who face discriminatory actions. Although I find the Commission's discussion on this issue persuasive, I lack sufficient knowledge of labor law and its current use to offer an opinion on this recommendation. Certainly, such a change is likely to increase union win rates and, more importantly, will allow workers greater freedom of choice in choosing to be represented by a union, as is the purpose of the NLRA.

I dissent from the Commission's recommendation for increasing the number of first contracts. The Commission states that once a majority of workers has voted for union representation, debate about whether a bargaining relationship is to be established should be over. Efforts should be made, it is asserted, to insure that an agreement is concluded, and that it be done so in a way that leads to a cooperative bargaining relationship. The Commission is disturbed that a third or more (p. 21) certified units fail to reach a first contract, and set out to facilitate the resolution of first contract disputes. They

²² The Report (p. 19) does point out that parties may delay in order to increase their chances.

stop short of mandating arbitration in all unresolved disputes, since this would reduce the incentives of the parties to negotiate and reach voluntary agreement. The Commission instead proposes that bargaining units have early access to mediation services, and that a tripartite Advisory Board be empowered to use a wide range of options to resolve disputes, including arbitration. The Commission believes that it will only rarely be necessary to invoke arbitration, in part because the threat of doing so will motivate the parties to reach agreement (p. 22). I believe that public policy ought to encourage good faith bargaining and provide mediation and fact finding assistance. I would like to see a higher percentage of first contracts signed. But I reject proposals that would permit mandatory arbitration. Even if invoked rarely, the parties' expectations about the outcome of arbitration will shape their negotiations. I do not accept the Commission's statement that a certification election ought to end the debate about whether a bargaining relationship is established. Ultimately, agreement between employers and workers must be voluntary. Employers must bargain in good faith, but should retain the right to refuse to sign an agreement with the union.

Finally, the Commission addresses what they rightfully see as inadequate access to union views on election issues. The workplace is the one and only site where workers congregate as a group. The employer has daily contact with employees, can easily distribute materials to their workers, may require employee attendance at meetings to hear the employer's point of view, and can devote work time to actively influencing workers' choices in a union campaign. By contrast, union representatives do not generally have access to employees at their place of work (including places such as a cafeteria or parking lots often open to the public), and may be barred from privately owned shopping malls or other quasi-public spaces. Unions typically are provided with a list of employees' names and addresses so that they can be contacted at home. The Commission would like to correct what they see as an undesirable asymmetry in union and employer access. I agree. But like the Commission, I see few possible remedies. The Commission proposes that Congress reverse the Supreme Court's *Lechmere v. NLRB* decision, which makes more likely the denial of access by unions in privately owned shopping malls and meeting halls. The Commission suggests that the NLRB visit this issue and use their discretion to

increase union access to workers. I do not disagree with these proposals, but suspect that they will have relatively minor effects. I would *like* to see more employers voluntarily permitting union representatives into the workplace at selected times and at selected venues, perhaps sponsoring discussions or "debates" at which employer representatives, union organizers, and workers could speak. Such behavior is likely to remain the exception rather than the rule. Joint discussions, however, might improve the "quality" of information exchanged in organizing campaigns by placing some constraints on unsubstantiated claims by the parties. A campaign waged in such a setting might also allow workers to evaluate more easily the credibility of claims by the parties.

VII. Conclusions

Although the Dunlop Commission Report may be politically stillborn, the issues addressed in the report remain important. There may be no feasible political route to move from the current labor relations environment to one envisioned either by Commission members, organized labor, business interests, or industrial relations scholars. But the *Report* is likely to serve as a needed catalyst for far-reaching debate on our labor relations system and may serve as a starting point for future labor law reform. Neither the enhancement of traditional collective bargaining, nor a massive deregulation of labor markets, is likely to be a politically viable (or economically desirable) alternative. Even were labor law legislation reformed so as to strengthen union organizing abilities, most of the private sector workforce would remain uncovered by collective bargaining agreements.²³

A deregulated labor market environment, however, is not likely to produce widespread development of mechanisms for effective worker participation. Many businesses will feel threatened by institutionalized, independent, and effective worker voice mechanisms. And because profit maximizing behavior by employers need not produce an optimal degree of worker participation (Freeman and Lazear, forthcoming; Levine and Tyson, 1990), mechanisms that enhance voice are unlikely to evolve sufficiently absent explicit public policies designed to encourage their development. But even were there

²³ Union "threat" effects for nonunion firms may be credible at relatively low levels of economy-wide coverage. In the current economic environment, however, the reforms proposed in the Commission report would be unlikely to increase substantially union organizing strength.

the political will to move in this direction, we possess remarkably little knowledge as to what types of public policies might encourage effective voice.²⁴ The most likely scenario is that we continue on our current path, one with a decreased role for collective bargaining, heavy reliance on government regulation and litigation, and an unfulfilled desire on the part of workers to have have a greater voice and cooperation in the workplace.

²⁴ Policy recommendations by Levine (1995) often reduce to the argument that government should be a cheerleader for greater worker participation, not unlike the actions of the current administration. No doubt such cheerleading would be more effective were it coming from an administration with a stronger base of support.

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Table 1
Union Membership, Density, and Employment, by Industry, 1983 and 1994

	Employment		%Member		Union Emp.		Nonunion Emp.	
	1983	1994	1983	1994	1983	1994	1983	1994
U.S. total	88,289.5	107,987.8	20.1	15.5	17,717.4	16,740.3	70,572.1	91,247.4
Private sector workers	72,655.7	89,648.6	16.5	10.8	11,980.2	9,649.4	60,675.5	79,999.2
Public sector workers	15,633.8	18,339.2	36.7	38.7	5,737.2	7,091.0	9,896.6	11,248.2
Industry								
Agriculture	1,446.2	1,490.9	3.4	2.2	48.7	33.3	1,397.6	1,457.6
Mining	871.7	653.5	20.6	15.6	179.9	102.2	691.8	551.2
Construction	4,609.2	5,409.2	28.0	20.5	1,292.7	1,109.7	3,316.6	4,299.5
Durable goods manufacturing	7,929.5	8,013.7	25.9	17.0	2,050.7	1,361.3	5,878.7	6,652.4
Nondurable goods manufacturing	11,293.6	11,366.1	29.2	19.1	3,303.0	2,171.7	7,990.7	9,194.4
Transportation	3,627.3	5,105.8	49.9	37.8	1,811.2	1,932.3	1,816.2	3,173.5
Communications & public utilities	1,435.3	1,517.0	45.2	28.1	648.7	425.8	786.6	1,091.2
Utilities & sanitary services	1,473.5	1,520.8	39.0	32.1	574.1	488.6	899.4	1,032.2
Wholesale trade	3,656.9	4,001.6	9.3	6.5	341.3	259.2	3,315.6	3,742.4
Retail trade	14,510.0	18,406.9	8.6	6.2	1,249.2	1,132.7	13,260.8	17,274.2
Finance, insurance, & real estate	5,708.5	7,132.0	3.4	3.0	193.5	217.5	5,515.0	6,914.5
Private households	1,222.8	948.2	0.3	0.9	3.2	8.7	1,219.6	939.5
Business and repair	3,671.5	6,604.7	6.5	4.1	239.9	270.4	3,431.6	6,334.2
Personal serv., exc. private household	1,896.5	2,561.7	9.4	6.8	177.7	173.7	1,718.7	2,388.0
Entertainment & recreation	1,010.0	1,805.2	13.0	10.0	131.7	180.6	878.2	1,624.6
Hospitals	4,358.3	4,988.3	17.6	14.5	766.6	721.5	3,591.7	4,266.8
Medical, exc. hospitals	2,986.1	4,894.5	9.7	8.2	289.6	399.5	2,696.5	4,495.0
Educational	7,837.4	9,584.8	34.7	35.8	2,715.7	3,426.9	5,121.7	6,157.9
Social services	1,314.8	2,518.2	10.9	8.7	143.1	218.2	1,171.8	2,299.9
Other professional	2,561.3	3,462.9	4.6	3.7	118.1	127.5	2,443.2	3,335.4
Forestry & fisheries	118.2	131.6	10.6	12.1	12.5	16.0	105.7	115.7
Public Administration	4,751.0	5,870.1	30.0	33.4	1,426.4	1,963.0	3,324.7	3,907.1

Data source: Barry T. Hirsch, and David A. Macpherson, *Union Membership and Earnings Data Book 1994: Compilations from the Current Population Survey*, Washington: Bureau of National Affairs, 1995. Data are from Current Population Survey (CPS) Outgoing Rotation Group (ORG) Earnings Files, 1983 and 1994. Sample includes private and public sector wage and salary workers, ages 16 and over. Variable definitions are: Employment=employment in thousands, %Member=percent of employed workers who are union members, Union Emp. represents thousands of employed union members, Nonunion Emp. is thousands of employed nonunion workers.