

## Relations industrielles



Richard B. FREEMAN, James L. MEDOFF : *What do Unions do?* New York, Basic Books Inc., 1984, 293 pp., ISBN 0-465-09133-4

Alexander J. Matejko

---

Volume 40, numéro 1, 1985

URI : <https://id.erudit.org/iderudit/050122ar>

DOI : <https://doi.org/10.7202/050122ar>

[Aller au sommaire du numéro](#)

---

Éditeur(s)

Département des relations industrielles de l'Université Laval

ISSN

0034-379X (imprimé)

1703-8138 (numérique)

[Découvrir la revue](#)

---

Citer ce compte rendu

Matejko, A. J. (1985). Richard B. FREEMAN, James L. MEDOFF : *What do Unions do?* New York, Basic Books Inc., 1984, 293 pp., ISBN 0-465-09133-4. *Relations industrielles / Industrial Relations*, 40 (1), 185–186. <https://doi.org/10.7202/050122ar>

---

Tous droits réservés © Département des relations industrielles de l'Université Laval, 1985

Ce document est protégé par la loi sur le droit d'auteur. L'utilisation des services d'Érudit (y compris la reproduction) est assujettie à sa politique d'utilisation que vous pouvez consulter en ligne.

<https://apropos.erudit.org/fr/usagers/politique-dutilisation/>

---

**é**rudit

Cet article est diffusé et préservé par Érudit.

Érudit est un consortium interuniversitaire sans but lucratif composé de l'Université de Montréal, l'Université Laval et l'Université du Québec à Montréal. Il a pour mission la promotion et la valorisation de la recherche.

<https://www.erudit.org/fr/>

législateur fédéral. Cette démonstration factuelle procède à la fois — réitérons-le, car il s'agit à ce degré d'une qualité pas tellement courante — de la connaissance intime que possède l'auteur de l'activité courante du Conseil et du recul qu'il en veut prendre à partir des nombreuses sources historiques et doctrinales qu'il cite.

**Pierre VERGE**

Université Laval

**What do unions do?** by Richard B. Freeman and James L. Medoff, New York, Basic Books Inc., 1984, pp. IX + 293, ISBN 0-465-09133-4

This study done by two Harvard economists claims that union play a crucial and beneficial role in improving workplaces, increasing productivity, reducing inequality, offering non-wage benefits, protecting vulnerable employees and securing employment stability.

Being a collective voice of the members, unions are able to challenge management but at the same time they contribute to a better mutual communication between bargaining partners. «Unionism on net probably raises social efficiency, and if it lowers it, it does so by minuscule amounts except in rare circumstances (...) Unions, for the most part, provide political voice to all labor and they are more effective in pushing general social legislation than in bringing about special interest legislation in the Congress» (p. 247).

The pressure exercised by unions helps to balance various vested interests and prevents some of them to dominate over others. On the other hand, a thriving, profitable company loses on being unionized and this is the paradox of the U.S. unionism: a plus on the overall social balance sheet and a minus on the corporate balance sheet.

According to the authors, the voice/responsive face of unionism should be strengthened and the monopoly face should

be weakened. Any economic protectionism seems to be wrong but at the same time there is an obvious need to protect workers dislocated by competition. A continued decline of unionization is harmful to the economy as well as to the society, and management, unfortunately, is not adequately aware of this fact. «In a well functioning labor market, there should be a sufficient number of union and of nonunion firms to offer alternative work environments to workers, innovation in workplace rules and conditions, and competition in the market. Such competition will, on the other hand, limit union monopoly power and on the other, limit management's power over workers» (pp. 250-251).

The study is based on a very large amount of data: annual survey of manufactures, census of manufactures, census of population, Committee on Public Education, current population survey, expenditures for employee compensation, unionization estimates, industry wage survey, labor turnover survey, promotion survey, annual reports of the National Labor Relations Board, national longitudinal survey, panel study of income dynamics, and quality of employment survey. Therefore, it is possible to rely on this large data basis.

It is significant that the social cost of the monopoly wage gains of unionism remains modest at the level of 0.3 per cent of the GNP or less. The union wage effect is greater for less educated than more educated workers, for younger than for prime-age workers, and for junior than for senior workers, and it is greater in heavily organized industries and in regulated industries than in others. It increased in the 1970s (p. 20).

In addition to raising wages, unions alter the entire package of compensation: this particularly benefits older workers. Wages of organized blue collar workers have been raised relative to the wages of unorganized blue collar workers. At the same time these improvements in general contribute to the reduced income inequality between the blue collar workers and white collar workers.

«Quantitatively, the inequality-reducing effects of unionism outweigh the inequality-increasing effects, so that on balance unions are a force for equality in the distribution of wages among individual workers» (p. 20).

The existence of well functioning unions (voice in determining rules and conditions of work, grievance and arbitration procedures, seniority clauses, etc.) helps to diminish labour mobility. The swings in the economy are faced by unionized companies with more concern for the vital interests of workers: temporary layoffs rather than constant hiring and firing. There is less subjectivity in dealing with employees and much greater job protection. The protection devices sponsored by unions benefit both unionized and non-unionized workers. Greater joblessness as a result of higher union wages is not a major phenomena.

It is interesting to mention that unions galvanize worker discontent in order to make a stronger case in negotiations with management. This factor, as well as the relative stability of unionized workers who have interest in keeping their jobs, leads to lower satisfaction with their jobs among the unionized workers in comparison with the nonunionized workers. It is an important question for management how to improve the work satisfaction by giving employees more chance and more voice.

Unions are **not** a major deterrent to productivity and in many cases the opposite is true: unions secure a lower turnover rate, push management to perform better, and offer cooperation in facing new challenges. It is in the interest of unionized employers to improve the rate of return per dollar of capital by creating conditions that would favour higher productivity. The positive Japanese example is very important in this respect. Most the U.S. unions are highly democratic, with members having access to union decision-making machinery, especially at the local level (p. 22).

This book based on well established facts shows the danger of the definitely negative orientation of many present day U.S.

employers versus the unions. In the period 1956-1980 the percent of unionized U.S. private nonagricultural workers has declined from 34 to 24. In the same period in the NLRB elections to new union representation workers in union victories as percentage of those eligible to vote have declined from 73 to 37.

There is a definite decline in unionization even in traditional areas of union strength. Unions have lost much interest in organizing activity and take mostly a defensive position. Management beats unions by offering unorganized workers most of the benefits of unionism, conducting tough legal campaigns against unionization, and even breaking the law by firing prounion workers. One in twenty workers who favour the union get fired. All this leads to the potential major deterioration of industrial relations in the U.S.

The book here under review is an attempt to prevent this deterioration by the provision of an objective diagnosis of the union role in the U.S. society. It is worth to mention that the U.S. trend differs much from the rest of free developed countries where unionism is growing instead of diminishing.

**Alexander J. MATEJKO**

University of Alberta

**Australian Unions: An Industrial Relations Perspective**, by B. FORD and D. PLOWMAN, eds.. Melbourne, The MacMillan Company of Australia, 1983, 576 pp., ISBN 0-333-33913-4, 0-333-33912-6 (pbk).

Les éditeurs de ce volumineux ouvrage ont réussi à présenter une introduction de haute qualité au syndicalisme australien, malgré les dangers de dispersion et de manque d'uniformité que comportait le recours à pas moins de 18 collaborateurs. Ils ont fait appel à des universitaires de milieux et d'orientations idéologiques variés, qui, pour