A Critique of *What Do Unions Do?*

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Professors Freeman and Medoff have created quite a stir with *What Do Unions Do?*—the first substantial pro-union book by economists in decades. The book has drawn an extraordinary amount of (mostly favorable) attention, with articles in magazines such as *Business Week* and *Fortune,* a full-scale symposium in *Industrial and Labor Relations Review,* and coverage in many academic journals. All the attention, in my view, says more about what articulate opinion wants to hear than what is true.

There always has been abundant pro-union writing in the academic community, but economic analysis and many economists continued to stand in the way of the complete celebration of unionism.[1] Freeman and Medoff do not frontally attack the economics of trade unionism, although the book is the centerpiece of the Harvard school's campaign to neutralize the traditional monopoly/cartel analysis of unions. An accurate subtitle for the book would be *The Case for Worker Collectives.*

The case is weak. Freeman and Medoff (F-M) offer no coherent theory, integrated with general economic theory, to displace the core theory. Instead, they acknowledge that "most economic studies, implicitly or explicitly, have judged unions as being a negative force in society" (p. 4). This admission gives an appearance of balance and accommodates the fact that many economists perceive the similarity between labor combinations and other producer groups who try to raise their prices by restricting access to markets.

Given the obvious validity of the economic model, union apologists must shift the ground of the debate. F-M claim that there is a "shortage of statistical evidence concerning what unions do beyond raising wages that set the stage for our research agenda" (p. 4). My unsympathetic translation is: set economic reasoning aside; number crunching from Harvard will deliver the truth. This stretches credulity beyond the breaking point for most economists, much less Austrian economists.[2]

Review of Richard B. Freeman and James L. Medoff, *What Do Unions Do?* (New York: Basic Books, 1984).

Instead of rigorous theory, F-M give us speculation about how the voice/response face of unions can induce better management and greater productivity within unionized enterprises by reducing labor turnover, enhancing worker morale and cooperation, negotiating "more efficient" workplace characteristics, resolving grievances, and pressuring management into stricter efficiency. This thin porridge follows Albert Hirschman's book, *Exit, Voice, and Loyalty,* in identifying two mechanisms of adjustment: exit (the classic market mechanism of mobility) and voice (discussion of problems). To the Harvard professors, unions basically are agents of collective voice rather than rent- and power-seekers: "In modern industrial economies, and particularly in large enterprises, a trade union is the vehicle for collective voice—that is, for providing workers as a group with a means of communicating with management" (p. 8). This version of unionism has an eerie parallel: Valery Chalidze, editor of *Kronika Press,* a periodical of Soviet dissidents, says that Soviet propaganda maintains that "the individual has no need for freedom of speech, it stresses instead expression of the collective will" (*Wall Street Journal,* 7 January 1980, p. 13).

What Do Unions Do? is not wrong about everything—it definitely contains some useful information. But the book is parochial: it ignores public-choice theory, property-rights theory and law, economics, and related fields of economic inquiry; it relies on Harvard-connected empirical studies; and it ignores foreign experience with labor unions, especially Great Britain's. Most importantly, the book is misleading or wrong about the important things. There are numerous sins of omission and commission.

Their research may appear sophisticated and far-reaching to some readers, but F-M's main contentions can be easily summarized in four statements:

1. A trade union is basically a vehicle for collective voice—a means of communication at work and for all labor in the political arena.
2. Unionism on net probably raises productivity.
3. Unions promote economic equality by reducing wage inequality and lowering profits.
4. Unions are democratic, noncorrupt organizations.

F-M conclude that the positive effects of voice/response outweigh the negative elements of monopoly and that "unions do much social good" (p. 250).

To many economists and businesspeople, I suspect, these claims appear fantastic and absurd on their face. I have tried to refute them in *Power and Privilege* (pp. 77–91) and in two papers listed in the references, as have other economists. Instead of rehashing those discussions, I propose to glide through *What Do Unions Do?,* chapter by chapter, citing deficiencies.

Freeman and Medoff boldly title chapter 1 "A New Portrait of U.S.

Unionism." *New* always promises a lot but seldom delivers. *What Do Unions Do?* is mostly old ideas recast in terms such as *collective voice* and fleshed out with recent statistical results. The old ideas boiled down to this: (1) Employees and employers are natural antagonists and employers have a powerful advantage over employees (labor monopsony). (2) The state should promote unions and the practices of collective bargaining to offset this inequality (i.e., promote bilateral monopoly). That is Freeman and Medoff's basic story, though not put so succinctly. For example, in the last chapter, "Conclusion and Implications," F-M say, "We believe that steps should be taken to limit the power of management to oppose unionization. . . . We are convinced that current trends have brought the union density below the optimal level. . . . [Union and nonunion firms] limit management's power over workers."

Chapter 1 is an overview and it asserts that unions improve productivity (!?) partly because they "pressure management to be more efficient in its operation" (p. 3) and "management can respond to unionism in more creative ways" (p. 11). This proposition supports P.T. Bauer's comment that "in economics we have sunk to such depths that statement of the obvious has become the first duty of thoughtful people" (p. 142). Ignoring the restrictive work practices of labor unions, F-M implicitly rely on Leibenstein's erroneous X-inefficiency theory (see Stigler), which, in turn, resembles the old "shock" theory of the Machlup–Lester debate in the late 1940s. W.H. Hutt soundly disposed of the shock theory of improvement by pointing out that if adversity stimulates managerial imagination, enterprise, and effort more than incremental prosperity, it would be wise for government to impose burdens on any sector they wished to foster—taxing them to give them a jolt and thereby causing them to flourish.

On union power, F-M say, "Most, if not all, unions have monopoly power, which they can use to raise wages above competitive levels" (p. 6). The authors, however, fail to point out the source of this undefined power to raise labor prices. The book shares this failing with most pro-union writing. Union power rests on legal privilege and immunities, both by statute and tacit nonenforcement. State support allows worker cartels to use coercive threats and initiate violence in ways denied to others. A century of intellectual effort sold the idea that the noble ends of unionists justify their means and that allowing unions wide compass to use their tactics helps "labor." As Mises said in 1922, "The long and short of trade union rights is in fact the right to proceed against the strike-breaker with primitive violence" (p. 435). These truths make F-M statements such as "the wages obtained by unions must be viewed as the joint responsibility of management and labor" (p. 6) disingenuous.

F-M relate that unionized "workers" usually report themselves less satisfied with their jobs than nonunion employees: "Unionists are especially dissatisfied with their work conditions and their relations with supervisors."

F-M explain, "unions galvanize worker discontent in order to make a strong case in negotiations with management. To be effective, voice must be heard" (p. 21). Certainly, the adversarial mentality and politicization of the workplace matter, but two other factors matter: in view of the excess labor supply available at union prices, firms demand more effort and output ("speed-ups"), and unionized firms also lack the flexibility to equalize the marginal returns to all forms of compensation and effort by all types of labor. Firms in competitive labor markets are relatively free to make these adjustments, and the market disciplines them to accommodate worker preferences for wage and nonwage conditions.

Chapter 2 discusses the union membership statistics and other institutional facts. Oddly enough, F-M seem to believe that competition in the labor market is the natural condition if monopoly unionism disappears:

> When a market is national or international, with output produced in one plant competing with that produced in other plants, independent bargaining by individual locals would lose unions their monopoly power, as locals would compete for jobs through lower wages. . . . The result would be a reduction in wages to more or less competitive levels. (p. 37)

Oh horrors! Too bad. F-M believe in a muddled way that without monopoly unionism, competitive results generally would obtain rather than monopsony exploitation of labor. But why would competitive markets be destructive? F-M do not tell us why, which makes their support of unionism and pro-union regulations puzzling. They endorse competition in product markets, so they believe that labor is different. Yet F-M's version of labor's disadvantage does not fit the monopsony model in a straightforward way. Strange.

An erroneous thread through chapter 2 and the rest of the book is F-M's notion that we live in a world of labor against capital, those two great macro abstractions. F-M say, for example, "The principal role of the AFL-CIO is to serve as the voice of labor in the political sphere" (p. 38). We might debate whether the AFL-CIO speaks for all organized labor, but Lane Kirkland certainly does not speak for labor, defined as all who labor for a living in the United States. The U.S. economy has always been predominantly nonunion, 83 percent nonunion as of 1985 and rising. Another example of F-M's bloc thinking: "In short, just as workers organize into unions to enhance their power in both economic and political forums, employers organize into associations for the same purposes" (p. 41).

Chapter 3 on the union wage effect is, for the most part, sensible. They argue that the union wage effect produced a premium of 20 to 30 percent in the 1970s and that givebacks in the 1980s were part of the market correction process. F-M, however, are much too sanguine about the discoordination chronically caused by these pricing failures. F-M also forget the whole question of rent seeking and who suffers the losses from union plunder. I do not believe that F-M exaggerate the size of union wage premiums, though H. Gregg Lewis has an alternative view. He carefully analyzed two hundred studies and concluded that the union–nonunion wage differential was only 14–15 percent in the 1970s.

Chapter 4 summarizes F-M's research on fringe benefits. They find that unions drive up fringes by 30 percent, *ceteris paribus* (p. 41). They concede that part of the union effect represents the social cost of monopoly power, but part is a social gain: "at the same labor cost, unionized workers will have a desirable set of benefits" (p. 74). This is simply an implausible, even fantastic, conjecture. F-M claim that there is good reason to expect unions to do a better job of eliciting workers' preferences because of the adversarial relation between employers and employees—"the fact that . . . nonunion employees have an incentive to withhold information about preferences" (p. 71). This argument can be dismissed out of hand—free markets do not produce fearful, helpless employees. The F-M argument fails to apply in product markets; it also fails to recognize that firms are intermediaries between product and resource markets in which resource suppliers voluntarily cooperate to their mutual advantage, that free markets pressure surviving (low-cost) firms to tailor their compensation mix to suit worker preferences, and that nonunion mechanics, loggers, truckers, and dockworkers are not afraid of their bosses. Work opportunities—not entry barriers erected by labor unions—inspire confidence.

Chapter 5 tries to counter the charge that unions are a labor elite, that is, unions advantage high-wage workers and increase economic inequality. F-M claim that their empirical research shows that unionism "tends to be in general a powerful force for equalization of earnings in the economy" (p. 78). This claim is bound to be wrong, but it is not theoretically impossible. F-M argue that union policies of a single rate for the job tend to even up wage rates within unionized plants (at the cost of incentives for individual performance) more than they offset the disequalizing impact of unions elsewhere. H. Gregg Lewis, however, points out that we cannot observe wage dispersion in the absence of monopoly unionism, nor can we statistically infer it from fitted wage equations. W.H. Hutt argues that if competition among workers in different fields had been unrestrained, we would have far more people in the higher-paid kinds of work and far fewer in the low-paid kinds of work. I agree with Lewis and Hutt.

Chapter 6 claims that unionism substantially reduces quits beyond the union wage effect. F-M argue that this phenomenon should be attributed to the "voice" effect. The lower turnover in union jobs supposedly raises GNP about 0.2 to 0.3 percent, just offsetting the static welfare loss in GNP from the monopoly wage effect, estimated via Harberger's procedures. Ironically, economists used to praise resource mobility and flexibility, while F-M now praise union-induced immobility. Econometric results to support the opposite view are available, of course. Jacob Mincer's longitudinal study, for instance, finds that more than half of the union wage premium of over 20 percent is rent, with the remainder a quality adjustment in hiring, and that the union wage-fringe premium completely accounts for the lower quit rates in unionized jobs. Mincer also finds that the seniority wage rates of union jobs reduce employee investment in general training.

Chapter 7 of *What Do Unions Do?* is about adjustment to business cycles. F-M agree with everybody else that unions reduce wage flexibility and rely on layoffs and unemployment benefits much more than the nonunion sector, though the authors downplay the union–nonunion differences. F-M overlook union inflexibilities as a factor delaying recoordination of markets and the restoration of employment and output. The pricing mechanism, not fiscal or monetary policy, recoordinates.

Chapter 8 discusses the seniority policies of unions. F-M's struggle to make unions look good works very poorly on this issue. The inverted incentives of union rules are nowhere better illustrated than by F-M's observation that one-quarter of union contracts have clauses that allow senior employees to be laid off ahead of junior employees—"layoff vacations." As with other researchers, F-M find that union members' wages do not rise as rapidly with seniority as those for nonunion workers, but that nonwage benefits rise by enough to compensate. The trouble is that the flattening of union wage profiles in human-capital variables such as schooling and experience is inefficient in terms of the lifetime income and substitution effects on work effort.

F-M argue that the inferior metering of rewards to individual productivity in union situations is offset by the gains from reducing the uncertainty of "managerial discretion." Another gain supposedly is the protection of "vulnerable" older workers. This is not economic analysis. If managers are capricious, the logic of free labor markets constantly works to correct it. F-M, by contrast, only offer their faith in union caprice ("rules") to replace company caprice (how widespread?) plus an appeal to emotion about helping the old. F-M conclude that "our best guess is that the rules are, on net, socially beneficial, but we lack the quantitative studies of the various circumstances to reach a clear conclusion" (p. 134). This conclusion plays to the gallery: numbers never speak for themselves.

What about the impact of union seniority rules on minority workers? No problem, F-M claim. Unions again are on the side of the angels because black employees are nearly as senior as white employees and seniority clauses protect blacks from arbitrary discrimination in the marketplace. Yet blacks often complain that union seniority rules work against them. F-M seem to forget that the marketplace is the historic protection for minorities, not government and unions. Further, it is plainly false to claim that blacks have the same ratio of insiders to outsiders as whites do. We need only look at the huge numbers of blacks who are young, unemployed, illiterate, and out of the work force.

Chapter 9 takes up the question of job satisfaction. F-M accurately observe that union workers have very poor perceptions of supervisors and their own relationship with supervisors. Union workers claim that their supervisors do not encourage or help them to contribute to improving the production process. These facts are well known to industrial relations specialists and the explanations are obvious, though uncited by F-M. Unions impose job rigidities which increase worker boredom (e.g., UAW auto plants have over 135 job classifications and no one may do another's job, no matter what the temporary production situation), union headquarters constantly spew anti-company propaganda, and prickly workers file grievances when supervisors try to change something. All very unpleasant.[3]

F-M point out that union workers are dissatisfied with how unions affect their say on the job and in the company and are dissatisfied with what little unions do to make their jobs interesting. Yet a few pages later, the Harvard professors lament that "many nonmembers appear to have an incorrect perception of what unions do" (p. 145). F-M admit, however, that "voice operates by fanning discontent" (p. 149).

Chapter 10 discusses what unions do to nonunion labor. Here F-M waffle:

> Some nonunion workers gain from unionism, notably those in large nonunion firms and in firms threatened by organization that choose to combat unionism with "positive labor relations." Other nonunion workers, notably less skilled "secondary" workers, appear to lose from unionism. The net effect on the entire nonunion workforce is unclear. (p. 161)

Extraordinary. This flatly contradicts economic analysis. So-called union substitution policies by companies cannot be extensive—why should companies incur unionized costs without a fight? Some companies consciously follow union avoidance strategies, but this is part of the social waste induced by monopoly unions and the interventions supporting unions. The overriding truth is that an artificial scarcity implies artificial abundance elsewhere. Unions therefore harm prosperity and lower the flow of real wages. Over the long run, unions particularly impoverish by deterring investment.

Chapter 11 makes the case that unions improve productivity. F-M say, "The new work suggests that in general productivity is higher in the presence of unionism than in its absence" (p. 163). While F-M admit there are productivity-reducing aspects of unionism, they claim that if management conducts good industrial relations, productivity is likely to be higher under unionism. To be sure, a few empirical studies find that productivity is higher in union than nonunion firms, but F-M's interpretation is wrong. Unions impose higher than competitive labor prices on unionized firms and firms seek maximum profit, so the marginal productivity of unionized labor among the survivors must be greater than that of nonunion labor, provided that firms eventually are able to employ inputs so that their marginal productivities equal their prices. Effective unionization, then, necessarily diverts employment from high- to low-productivity uses. Statistical techniques cannot eliminate this effect of union behavior in the data, nor should this result be applauded as a positive effect on output per worker. These union–nonunion productivity differentials are classic distortions in the allocation of scarce labor and capital caused by monopoly prices (see Reynolds, 1986).

F-M ignore direct restrictions on output imposed by unions—call it featherbedding, job security, or overstaffing. Examples are legion: tearing out factory wiring to rewire with union labor, standby orchestras, refusal to use ready-mixed concrete, compelling the use of an expensive operating engineer to run a construction elevator instead of a cheaper laborer, and so on. Most businesspeople bitterly complain that union work rules cost them more than union wages. While some Harvard professors and labor writers believe that unions aid productivity, surveys find few businesspeople who share this opinion (Reynolds, 1984, pp. 87–88). Neither F-M nor other pro-union scholars ever cite clear, observable cases of union improvements in productivity; they only cite econometric studies.

Perhaps the most telling objection to the F-M productivity claims is that managers, investors, and employees in nonunion firms have every financial incentive to discover and adopt any techniques that produce large gains in production at low cost. If unions and unionized firms happen to stumble into such productivity boosters, their advantage will not be kept by unionized firms for very long. Logically there can be no systematic union productivity advantage for economists to detect.

Other statistical studies find that the growth of total factor (residual) productivity is slower in industries with high proportions of union coverage. Even F-M admit that "unionized industries have, indeed, had somewhat slower growth of productivity than nonunion sectors, [but] the observed relation is too weak statistically to support the claim that unionism reduces dynamic efficiency" (p. 170). In truth, the union creed is: Here today, here forever.

Chapter 12 covers the impact of unions on profits. F-M, like other economists, find negative effects on the return to capital. F-M, however, say that this is OK because unions "reduce exceedingly high levels of profitability in highly concentrated industries toward normal levels. . . . the union profit effect appears to take the form of a reduction of monopoly profits" (p. 186). Very convenient: union coercion only harms "the financial well-being of organized enterprises or sectors" (p. 189). Of course, even if we believed that the Robin Hoods of the labor market operated F-M's way—robbing only allegedly well-heeled giants such as AT&T, United Airlines, and GM—Freeman and Medoff ignore the consumers harmed by the further underproduction of "monopoly" output induced by union pricing, and the investors (including the widows, orphans, and workers trying to avoid poverty in their old age) who own shares of corporate giants. F-M blithely conclude that "there is little normative content in the direction of the effect per se" (p. 189). They fail to consider the inefficiency of concentrating overpriced labor on successful enterprises and rewarding less-successful enterprises with underpriced labor.

Chapter 12 is another instance of F-M's delusion that organized labor's enemy is capital—in this case, big business. Collaboration between big labor and big business is more familiar in Washington than in disputes—be it the shoe, auto, trucking, or steel industries—as both unions and companies seek protection from the competition of (mostly) nonunion domestic and foreign companies. The "enemy" of union labor is nonunion labor, not rapacious capitalists.

In chapter 13, F-M try to whitewash union political activities, claiming that although unions exploit existing regulations to obtain benefits for their members (often at the expense of the general public), most legislative success comes in the form of "general labor and social legislation" (p. 200). George Meany said it better: "Every piece of social welfare legislation in the last two decades carries a union label" (cited in Reynolds, 1984, p. 212). F-M exaggerate the distinction between the narrow and broad agenda of the unions. The AFL-CIO may claim that they lobby for, say, federally funded mass transit to help the elderly, disabled, and minorities, but union finances and membership ride on taxpayer subsidies to unionized municipal buses and trains. Unions lose some legislative battles to be sure, but all interest groups do.

Chapter 13 also misstates the political struggle as business versus labor. For example, "Legislation that strengthens unions tilts the balance of collective bargaining toward labor, while legislation that weakens unions tilts the balance toward business" (p. 201). But reductions in the legal privileges and immunities of organized labor help consumers. Some businesses are helped, others hurt. Consumers, not "business," primarily suffer the losses from the union-imposed wage taxes. Freeman and Medoff's analysis and prescriptions overlook the wisdom of Adam Smith: "Consumption is the sole end and purpose of production; and the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer" (*Wealth of Nations,* book IV, chapter 8).

Chapter 14 argues that unions are not the unresponsive, undemocratic, corrupt, strike-happy organizations that some claim. While "blemishes" exist, they are minor and no more common than in the business world, F-M reassure us. For example, F-M argue that strikes are a trivial cost in terms of labor hours lost to the economy, as many economists conclude. This is a superficial analysis, however. Union wage distortions and other union impediments to efficient production and employment rest on the strike threat. The threat does more harm in paralyzing management than strikes do. Further, F-M never define a strike. A strike is not simply a mass walkout by incumbent workers to protest substandard conditions. Free people have always had the unqualified right to withdraw their labor. As Arthur Shenfield describes the behavior of strikers:

> The jobs from which they have withdrawn performance belong to them, they maintain. Their labour is present and available for those jobs, and woe betide any other workers ("scabs", "blacklegs", etc.) who may seek to offer their labour in place of that of the striker. Woe betide also any employer who seeks to hire the labour of such "interlopers." (p. 11)

The irony of *What Do Unions Do?* is that it concentrates almost exclusively on the effects of unions, not the actual behavior of unions—the strikes, organizing, boycotting, campaigning, compulsory membership and dues collection, grieving, lobbying, pressuring, and political activism everywhere. The book tells us little about what unions do (the rent-seeking process) and nothing about the associated threats of disruption and violence that underlie the union system. Nor is there anything about the full-time union bureaucracy of some 35,000 people who live off $5 billion in annual dues collected from workers' wages, the annual compensation of $750,000 for Teamsters' president Jackie Presser, and so on. Ignored also is turnover among national union officials, summed up by a George Bernard Shaw character in *The Apple Cart*: "No king is as safe in office as a trade union official."

Chapter 15 has an amusing title: "The Slow Strangulation of Private-Sector Unions." It suggests that unions are the innocent victims of coercion rather than perpetrators of private coercion and beneficiaries of state privilege. Everybody agrees that the numbers show a steady, sizable decline in the share of the work force represented by unions. The question is why. F-M claim 72 percent of the decline stems from change in economic structure. They fail to mention that union pricing and belligerence change structure—decimating the steel industry, northern heavy industry, meatpacking companies, and so on. In F-M's account, unions are passive reactors to change, however, not causes of change. It would be closer to the truth to say that unions became powerful enough to destroy themselves.

What really disturbs F-M about the sunset days of unions is managerial opposition to unionism. Hiring labor consultants, firing workers for union activism, and other kinds of "unfair management practices" are hard to assess as a factor in the demise of unions, but F-M believe they are important, accounting for a quarter to a half of the union slippage. Yet, the private-sector decline since the early 1950s has been a straight line, more or less. F-M recommend more pro-union regulations, such as requiring elections within fifteen days of a union petition (before management can react effectively), to offset managerial "law-breaking."

Contrary to F-M, a lot of the responsibility clearly rests on unions and their image with employees. F-M implicitly assume that most workers would join unions if it were not for intimidation by management. This is easily disproved. There are many antiunion workers in the United States, some fiercely so. They have religious, ideological, and financial reasons for being against unions. Companies that are nonunion or trying to become nonunion want to gain access to this part of the labor force and allow the more productive employees to advance. Surveys show that only a third of nonunion employees say they would vote union in an NLRB election. Unions continue to lose NLRB elections and decertification votes.

F-M, however, blame management for the union slippage. It is strange to see economists blaming managers in a normative sense. Even Freeman and Medoff admit that unions reduce profits. Those of us who are consumers and nonunion labor sellers might even cheer a little if more managers found their backbones and resisted union aggression. As union–nonunion wage differentials and work rules grew during the 1970s, causing many unionized companies to become uneconomic in increasingly deregulated and global markets, perhaps more managers began to resist forced labor exchanges. F-M indirectly recognize this factor because their last chapter urges unions to "use their economic power more judiciously in the future" (p. 250).

Alfred North Whitehead said, "A great society is a society in which men of business think greatly of their functions" (Jackman, p. 17). Suppose more managers said, proudly:

> Yes, we're trying to maximize the value of the company, the wealth of the owners. We try to produce and sell our products for the highest profits obtainable. We insist on our right to seek out the lowest prices for the skills we want to employ, as well the lowest available prices for the other inputs we use. We intend to run a harmonious ship, keep our labor costs competitive, protect jobs in this company, defend the wealth of our shareholders, and ultimately protect consumers. Efficient managers are the only line of defense for consumers. Our behavior also adds to productive employment and output in the economy, offers employment opportunities to the "outs," and has the long-run effect of diminishing economic inequality. Freeman and Medoff may condemn us, but apparently they do not understand economics. (p. 17)

If these imaginary managers would add, "We also insist on the right of workers to seek out the highest prices for their services, unimpeded by those allegedly harmed by this market freedom" (e.g., highly paid union members), the remedy for our labor maladies would be close at hand.

Notes

1. In an exchange with Melvin Reder, Freeman and Medoff (1985, p. 642) deny that they are pro-union, claiming their stance is merely "pro-empirical social science." Further, they aver that while they welcome "serious scientific investigation" concerning their union hypotheses, they "do not welcome criticism or praise which has a political, personal, or other nonscientific basis. It is a waste of everyone's time." Reder (p. 640) notes that "to state that, *inter alia*, a book functions as a political-economic tract is in no way to castigate it."

2. In a similar vein, Reder (p. 641) writes,

> The empirical findings reported by F&M on union–nonunion differences in wage rates and other aspects of compensation are (partial) associations. To interpret such findings as indicative of the *effects* of unionism, rather than of "other" forces correlated with the incidence of unionism, requires that some account be taken of the response of potentially unionizable workers to the (perceived) gains from being unionized.

3. Toner, for example, studied 244 workers in seven electronics companies in Ireland and found "no support for the 'voice' theories of the Harvard School. Workers in the non-union companies studied appeared to enjoy more 'voice,' better conditions, and higher morale" (p. 200).

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