Course: Economics 406/506
        Collective Bargaining
        Spring 2005
Professor: Dr. Phillip A. Miller

Lecture Meeting Times: Mon. and Wed., 9:30 – 10:45 AH 222

Final Exam Date: Please see page 4 below

Office Hours: Mon and Wed. 11:00 – 12:00, Tues. 9:00-12:00 and 1:30-5:00, or by appointment.

Office: Morris Hall 129

Office Phone: 389-5248

Email: philip.miller@mnsu.edu

Home Page: http://krypton.mnsu.edu/~millep1/classes.html
Some materials for this class may be posted at this site.

Blogs: I contribute to two blogs. Students are encouraged to read these blogs, especially Market Power.

http://marketpower.blogspot.com
http://www.thesportseconomist.com

Course Objectives:

Students who have successfully completed this course will be able to:

1. Describe the economic objectives of unions
2. Describe the types of workers who become unionized and the types of firms that become unionized
3. Describe the bargaining process, bargaining outcomes, and the role of bargaining power in determining the bargaining outcomes
4. Describe why strikes occur and describe alternative dispute resolution systems
5. Describe the impact of unions on wages, employment, productivity, non-pecuniary benefits, investment, and prices
6. Describe the development and growth of sports unions and describe the impacts they have had on the salaries of professional athletes (time permitting).

Course Description:

Union membership continues to decrease in the US. In 2002, 13.2% of all wage and salary workers in the US were union members. This is down from 13.4% in 2001 and 6.9 percentage points below the high of 20.1% in 1983. Approximately 10% of private-industry worker were unionized while almost 40% of public sector workers are unionized (source: 2002 Union Members Survey accessible at http://stats.bls.gov/news.release/union2.nr0.htm). Even though unions are not
as important in the US today as they have been (judging by membership numbers), unions and their members were very important in the development of the US economy during the middle part of the 1900’s.

In this course, we will examine many facets of unionism from an economic standpoint. We will examine the historical development of unions and the trends of unionism in the US and the world. We will examine the types of individuals that become unionized and the types of firms that become unionized. We will examine the bargaining process from the point of view of the union and the firm, and we will develop some analytical tools to help explain bargaining outcomes, the role of bargaining power in determining these outcomes, and dispute-resolution systems such as the strike and arbitration. We will examine the impact of unions on many economic phenomena including but not limited to wages and productivity. We will also examine the role of unions in the public sphere and, time permitting, the role of unions in sports.

Texts (required):


Blogs Written by Economics Professors (* highly recommended blogs):

1. Market Power (My Blog) [http://marketpower.blogspot.com](http://marketpower.blogspot.com) *
2. The Sports Economist (A blog specializing in economics applied to sports. I contribute to this blog.) [http://www.thesportseconomist.com](http://www.thesportseconomist.com) *
3. Marginal Revolution (One of the best economics blogs around) [http://www.marginalrevolution.com](http://www.marginalrevolution.com)
5. Division of Labour [http://www.divisionoflabour.com](http://www.divisionoflabour.com)
6. Heavy Lifting [http://heavylifting.blogspot.com](http://heavylifting.blogspot.com)

Other Texts from which I draw material:


2. *Microeconomics.* Robert S. Pindyck and Daniel L. Rubinfeld. 5th ed. (Prentice Hall)

There will likely be other readings from other sources. Some of these sources will be journal articles that can be accessed online at the journal storage project at [http://www.jstor.org/](http://www.jstor.org/). Many of
these journal articles can be quite technical, but the gist of the papers can be ascertained by reading the abstract, the first section, and the last section.

**Grading and Important Dates:**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>80</td>
<td>TBA</td>
</tr>
<tr>
<td>Exam 2</td>
<td>80</td>
<td>TBA</td>
</tr>
<tr>
<td>Final Exam (not cumulative)</td>
<td>80</td>
<td>Monday 5/11/2005 8:00 AM</td>
</tr>
<tr>
<td>Term Paper</td>
<td>60</td>
<td>Monday 5/2/2005 4:00 PM</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Criteria Points Dates*

<table>
<thead>
<tr>
<th>Letter Grade</th>
<th>Lowest Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>270</td>
</tr>
<tr>
<td>B</td>
<td>240</td>
</tr>
<tr>
<td>C</td>
<td>210</td>
</tr>
<tr>
<td>D</td>
<td>180</td>
</tr>
</tbody>
</table>

*Other important dates:*

Paper topic due date: Feb 7th, 2005

Preliminary Research Summary: March 7th, 2005

**Policies and Suggestions:**

*Exams:*

Exams will consist of a mixture of multiple-choice and essay questions.

I expect each student to be present for each examination. No student will be excused from taking an exam for any reason. I will only consider giving a make-up exam under verifiable emergency situations (such as a verifiable medical or family emergency).

All make-up exams will consist of essay questions. Each student may only take one make-up test during the term.

*Term Paper:*

Each student will complete a term paper due at the beginning of the last class period of the semester. The student will pick a collective bargaining topic and examine it from an economic standpoint. The paper will provide research on the topic using economic analytical tools including
but not limited to those used in this class. The following table gives some potential topics and some examples of each:

<table>
<thead>
<tr>
<th>Potential Topic</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examine the bargaining between a particular union and firm.</td>
<td>the bargaining that occurred between the Major League Baseball Players’ Association and the Major League Baseball teams in 1993-1994 that resulted in the 1994 players’ strike</td>
</tr>
<tr>
<td>Examine demographic qualities or trends in union membership.</td>
<td>why African-Americans are the most highly-unionized demographic group in the US</td>
</tr>
<tr>
<td>Provide a summary of the professional economic literature on some economic phenomena.</td>
<td>the literature on why strikes occur</td>
</tr>
<tr>
<td>Examine a dispute resolution system.</td>
<td>the use of arbitration throughout the economy or in some sector of the economy (hockey, baseball, etc.)</td>
</tr>
<tr>
<td>Examine unions in states, regions, or nations.</td>
<td>unionism in Minnesota</td>
</tr>
<tr>
<td>Compare unions across states, regions, or nations</td>
<td>unions in Minnesota vs. unions in Michigan</td>
</tr>
<tr>
<td>Examine the development of a particular union</td>
<td>the Inter Faculty Organization in MnSCU</td>
</tr>
</tbody>
</table>

These are merely examples. If a student wishes to choose a different topic, he/she is encouraged to do so. An excellent source of data for students is Unionstats.com: [http://www.unionstats.com/](http://www.unionstats.com/). There are also collective bargaining data available at [http://stats.bls.gov](http://stats.bls.gov) and at the Labor Research Association at [http://lraonline.org/econ_stats.php](http://lraonline.org/econ_stats.php).

During the 4\(^{th}\) week of the semester the student will provide me with his/her topic and a one-paragraph summary of what he/she plans to examine. This document must also contain at least 2 pertinent resources listed in a bibliography. This document must be typed in double-spaced 12-point Times New Roman font with one-inch margins. The bibliography should follow the MLA citations style. This document will be worth 5 points towards the overall paper’s score.

During the 8\(^{th}\) week of the semester, the student will provide a one or two-page summary of the preliminary research findings and a bibliography that contains at least 4 pertinent resources. These resources should include the title of the resource, the author, and the publication in which the resource was found. This document must be typed in double-spaced 12-point Times New Roman font with one-inch margins. The citations and the bibliography should follow the MLA citations style. This document will be worth 15 points towards the overall paper’s score.

The final paper will be of a length necessary to present the information and make any point(s) which the student intends. Typical papers will be from 5 to 7 pages in length, not including tables or graphs. It must be typed in double-spaced 12-point Times New Roman font with one-inch margins. Figures and tables must be attached at the end of the paper. Attach figures first and tables last. Attach the figures and tables in numerical order with one figure or table on each page. The
student should follow the MLA style guide for citations and for the bibliography. Failure to follow these directions will result in a deduction of points from the student’s score. This document will be worth 40 points towards the overall paper’s score.

All documents will be evaluated on quality of content and style, spelling, grammar, organization, and logical flow. The preliminary research summary and the final paper will also be judged on the citations and the bibliography. In addition, the final paper will be judged on the use of economic analysis (theoretical or empirical or both). Last but not least, the final paper will be judged on the use of original critical thought by the student.

**Graduate Student Requirements:**

Graduate students will be evaluated no differently than undergraduate students.

**Students with special needs:**

If you have special needs as addressed by the Americans with Disabilities Act, please notify me immediately. Every attempt will be made to accommodate qualified students with disabilities. If you are a student with a documented disability, please see me as early in the semester as possible to discuss the necessary accommodations and/or contact the Disability Services Office at 507-389-2825 (V) or 1-800-627-3529 (MRS/TTY). The Disability Services website is located at [http://www.mankato.msus.edu/dso/](http://www.mankato.msus.edu/dso/)

**Note on academic (dis)honesty:**

Plagiarism is a serious offense and will not be tolerated. Copying or closely paraphrasing others’ work, including the work of your fellow students, is considered plagiarism and will result in a failing grade for the assignment.