

# Trade Unions And Inflation

Trade unions	
Advantages	Disadvantages
<b>Counter-balance monopsony</b> - Unions can bargain for higher wages - overcoming unfair wages in monopsony.	<b>Unemployment</b> - In competitive labour market, unions pushing wages above equilibrium cause unemployment
<b>Represent workers</b> - Unions can represent workers at employment tribunals	<b>Cost-push inflation</b> - Powerful unions can push up wages causing inflation (e.g. 1970s)
<b>Productivity deals</b> - A trade union can help a firm to bring in new working practices which increase labour productivity.	<b>Time lost to strike</b> - Unions can lead to lost productivity by strikes.
<b>Co-operation</b> - Unions, in theory, can help bring workers closer to management and represent interests.	<b>Confrontation</b> - Unions can also create a confrontational attitude - leading to disputes and poor morale.
<b>Efficiency wage theory</b> - This states higher wages increase motivation and productivity of workers.	<b>Less relevant.</b> In gig economy, it is harder for unions to organise and have impact.
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Their coerced and uneconomic wage hikes cause unemployment. Then they use their pressure for government guaranteed full employment which adds billions to the costs of government. It is precisely this successful pressure on government that is the effective subcause of inflation. This is how labor unions cause inflation!.European trade unions are preparing aggressive pay demands for This is sure to grate on [European Central Bank] President.It can thus be established that ongoing inflation cannot be caused by the price setting behavior of workers and firmsit can only arise from excess monetary expansion by the government. It follows that policies designed to eliminate inflation by fixing wages and the prices firms can charge are inappropriate.MORTON: TRADE UNIONISM AND INFLATION 15 inflation occurs for its causes and puts emphasis upon direct legal regulation of wages and prices rather than.In the following section it is postulated that, in a competitive political system, the trade union movement as a whole cannot become militant to the extent that it can set wages above the rates that would otherwise be determined by the market forces and consequently cause inflation as suggested by the cost-push theory.Trade unions' objectives and inflation. \*. Giuseppe Ciccarone and Enrico Marchetti. . University of Rome La Sapienza, Department of Public Economics.In this paper I examine the impact of union membership rates on the inflation keywords: inflation, trade unions, fixed effects, central bank independence.Part of Department of Applied Economics Papers in Industrial Relations and Labour. Author: Jackson. Date Published: August ; availability: Temporarily .Trade unions bargaining for higher wages can cause cost-push inflation. In the s, union activity was responsible for some of the cost-push inflation of that.Trade Unions and Wage Inflation. INTRODUCTION. Inflation occurs when the general price level increases continuously. It is therefore a monetary phenomenon.Trade Unions and Wage Inflation in the United Kingdom In the past eight years there has been extensive empirical investigation of the process of.Inflation occurs when the general price level increases continuously. It is therefore a monetary Trade Unions and the Economy pp Cite as.One very contentious aspect of the current inflation unquestionably concerns the role played by the trade unions. This is a topic which elicits the expression of.This paper examines the argument that the exchange of powers and responsibilities between government and producer group interests (and, in particular, trade.Trade unions and wage inflation in the. UK: a critique of Purdy and Zis. D. DOGAS and A. G. HINES. Birkbeck College, Utricersity of Lonclon. In a recent paper.

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