Public Sector Collective Bargaining Legislation in the United States

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ABSTRACT

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ABSTRACT

This study examined the determinants of public sector collective bargaining legislation for state employees during the period 1965-1991. Using an event history analysis, I found that general attitudes toward collective bargaining was an important determinant of public sector collective bargaining legislation and that interest groups played an important role in state legislation affecting public sector collective bargaining. However, the existence of limited bargaining laws and the fraction of contiguous states with mandatory bargaining laws did not affect the legislation.

I. Introduction

My study examines the determinants of state legislation of public sector

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collective bargaining. Many industrial relations scholars have argued that state legislation significantly affects the process and outcome of industrial relations in the public sector (Freeman, 1986). However, some scholars questioned whether the effect of state legislation is real or spurious (Burton, 1979; Burton and Thomason, 1988; Lewin, 1985). For the most part, previous studies have treated the legislation as an exogenous variable and focused on measuring the effect of legislation on various industrial relations processes and outcomes (Dalton, 1982; Hunt, et al., 1986; Ichniowski, 1988; Moore, 1977, 1978). Such an approach presents a high risk that spurious effects will be attributed to the legislation if both the legislation and the outcomes of public sector industrial relations are influenced by common environmental factors (Lewin, 1985). Thus, "until more is known about the determinants of state laws regulating public sector bargaining, little progress can be made in sorting out the independent effects of these laws on the bargaining process and bargaining outcomes" (Lewin, 1985, p. 90).

The claim that public sector collective bargaining legislation should be treated endogenously is not new. For example, Kochan (1973) pointed out that it is more appropriate to view such legislation as an intervening variable rather than an independent variable. Despite such a claim, systematic empirical research on the determinants of legislation has been hindered by the lack of a theoretical framework in which to understand the legislation process (Lewin, 1985).

Recently a growing body of literature has used the public choice theory of economic regulation to explain the legislation. In public choice theory, economic regulation such as public sector bargaining legislation is conceptualized as a potential use of public resources or power to improve the economic status of certain groups. That is, economic regulation is a market for wealth transfers where interest groups play an important role (Stigler, 1971). The results of previous studies suggest that public choice theory provides a useful and
comprehensive framework in which to understand public sector bargaining legislation (Hunt and White, 1983; Hunt et al., 1985; Waters et al., 1994; Waters and Moore, 1990).

Unfortunately, previous studies that tested public choice theory share a common analytical shortcoming. To understand the problem it is useful to distinguish two kinds of theories or models: one, a static theory or model, attempts to describe and explain various associations among constructs at some point in time and the other, a dynamic theory or model, attempts to describe and explain how an individual or social system changes over time (Tuma and Hannan, 1984). Public choice theory is inherently dynamic because it tries to describe the evolution of state legislation over time. However, all previous studies have been cross-sectional and have failed to incorporate the temporal dimension of legislation, a problem which is especially serious in research on public sector collective bargaining legislation. Since few legislatures have taken away existing bargaining rights, each law reflects factors at the time of legislation, not at the time of the cross-sectional data collection (Saltzman 1985). My study tries to overcome this shortcoming by using event history analysis.1)

II. Theory of Economic Regulation and Public Choice

The theory of economic regulation and public choice advanced by Stigler (1971) and Peltzman (1976) rejects the traditional argument on the role of regulation. Traditionally, regulation is instituted to eliminate or remedy market failures, thus, to serve public interests. According to public choice theorists, regulation seldom actually works this way. Economic regulation is

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1) The only dynamic analysis of public sector bargaining legislation is Farber’s (1988). However, the role of interest groups, which is emphasized in public choice theory, was largely ignored in Farber’s study.
instituted primarily by political processes rather than by rational consideration for the public at large. Public choice theorists have further maintained that economic regulations can be better conceptualized as potential uses of public resources and power to improve the economic status of interest groups. In other words, economic regulations by legislation are a market for wealth transfers, which can be analyzed in the context of a demand and supply framework with constituents on the demand side and their political representatives on the supply side.

As in other markets, the extent of regulation is determined by the effective demand for and the costs associated with the regulation (Stigler, 1971). In public choice theory, representatives are assumed to maximize their political support. This can be achieved by providing regulation up to the point where the marginal political return of the regulation is equal to the marginal political cost. Thus, the tasks required are to identify relevant factors associated with the effective demand for and the costs of the regulation (Waters and Moore, 1990).

On the demand side, public choice theory predicts that "(t)he system is calculated to implement all strongly felt preferences of majorities and many strongly felt preferences of minorities but to disregard the lesser preferences of majorities and minorities" (Stigler, 1971, p. 12). Regulations will reflect the preferences strongly felt by a majority of constituents if such preferences exist. In general, people demand legislation that protects their preferences. Representatives can maximize their political support by voting the constituents' preferences.

However, political decision making is inherently infrequent, simultaneous, and universal which make the costs of comprehensive information much higher in the political arena than in the private market. Moreover, many issues in political decision making are of little or no direct concern to most people, so most people are rationally ignorant of or indifferent to many political issues. Thus, the nature of political decision making allows relatively
small interest groups to influence legislative outcomes (Stigler, 1971).

On the supply side, the costs associated with regulation can be classified into two cost categories: political and economic. Political costs represent loss of political support, which is determined by the extent of opposition to the regulation among constituents and interest groups. Economic costs represent the costs of producing regulation. Some institutional characteristics of legislatures, such as length of session, frequency of session, and bicameralism are associated with the economic costs of regulation (Crain, 1979).

Several previous studies have applied public choice theory to public sector bargaining legislation (Hunt and White, 1983; Hunt et al., 1985; Waters and Moore, 1990; Waters et al., 1994). State legislation of public sector collective bargaining shares similar characteristics with economic regulation in the sense that collective bargaining in the public sector may result in some form of wealth redistribution (Hunt and White, 1983). Hunt and White (1983) have argued that if collective bargaining did not result in wealth redistribution, there would be no demand for and no opposition to such legislation.

The results of previous studies have consistently supported public choice theory. Most variables associated with public choice theory were statistically significant and had expected signs. The only exception is the factors associated with economic costs of legislation (Farber, 1988; Waters and Moore, 1990). The insignificant effects of the economic cost factors suggest that political costs are more important than economic costs in public sector bargaining legislation. Based on public choice theory and previous findings, the following model explaining state legislation is estimated in this study.

\[
\text{LEGISLATION} = f(\text{ATTITUDE}, \text{IG, LBL, OG, CS}).
\]

where the right-hand side variables represent demand and supply factors for the legislation.
Demand for the legislation is hypothesized to be determined by three factors: general attitude toward collective bargaining (*ATTITUDE*), the amount of effective demand by the interest groups that are expected to benefit from such legislation (*IG*), and the existence of limited bargaining laws (*LBL*). As mentioned above, regulation reflects preferences strongly felt by a majority of constituents if such preferences exist. The more favorable the general attitude toward collective bargaining, the more likely that public sector bargaining laws will be enacted. In this study, four explanatory variables are used to measure variation in the general attitude: COPE score, "right-to-work" laws, per capita income, and southern region dummy.

The COPE score is the fraction of votes by a state’s delegation to the U.S. House of Representatives consistent with the AFL-CIO’s position on issues of interest to organized labor. If politicians typically vote the preference of their constituents (Kau. et al., 1982), the COPE score is likely to reflect the extent of pro-union attitude in their states. Likewise, the existence of laws unfavorable to unions and collective bargaining in the private sector, such as "right-to-work" laws, is likely to reflect anti-union or more conservative attitudes of a population.

Per capita income should have a positive sign. Where per capita income is lower, the state is likely to be less industrialized and, thus, more conservative. Marshall (1967) has maintained that less developed regions tend to resist unions and collective bargaining because they are regarded as barriers to attracting industry. In addition, higher income may be associated with higher demand for public service, which in turn increases the power of public employees in collective bargaining and political arenas (Farber, 1988). A dummy variable for the southern region is included to capture a strong anti-union attitude in this region.

Another determinant of the demand for legislation is the amount of effective demand wielded by the interest groups that are expected to benefit
from such legislation. Stigler (1971) has argued that an interest group that seeks regulation must pay with the two things that politicians need: votes and resources. Thus, an interest group's effective demand is largely determined by its ability to mobilize votes and resources. This study includes four variables to capture variation in the effective demand of interest groups: relative number of public employees, their average earnings, urbanization rate, and unionization rate.

Since collective bargaining is likely to improve their wages and working conditions, public employees are the most important interest group that demands the legislation. The number of public employees and their average earnings directly influence the number of votes and amount of resources that the public employee group can mobilize. Urbanization represents a regional concentration, which makes it easier for a public employee group to organize a campaign to obtain favorable legislation and reduces the free-rider problem (Stigler, 1971).

In addition to public employees, private sector unions may also benefit directly or indirectly from public sector bargaining legislation. Many private sector unions have mixed memberships consisting of both public and private sector divisions. The legislation may directly benefit them by providing them with a new opportunity to organize public employees. The legislation may provide indirect benefits by signaling a general pro-union climate that increases union security in the private sector and reduces the psychological costs of joining unions for potential members (Hunt et al., 1985). Thus, public sector bargaining legislation should be positively associated with the strength of private sector unions. A fraction of the unionized work force in state is used as a proxy for the strength of private sector unions.

However, it should be noted that some of the interest group variables may have countervailing effects. Kochan and Katz (1988) have argued that public employees will have more power if their numbers are relatively small. That
is, as the relative number of a public employee group grows, the relative costs to taxpayers associated with the introduction of public sector collective bargaining also increase, which may provoke opposition among the public to the legislation. Difficulty in organizing may also increase as group size increases. For the average earnings of a public employee group, employees with relatively high earnings may simply be less interested in collective bargaining. Urbanization may make it easier for opposition groups to organize as well.

The existence of limited bargaining laws, such as permissive bargaining laws or meet-and-conf and laws, may also have complicated effects on the demand for legislation. Some scholars have maintained that limited bargaining laws may reduce demand for legislation that grants full bargaining rights to public employees because these laws may satisfy public employees and unions' concerns to a certain extent (Saltzman, 1985). However, limited bargaining laws may also positively affect demand if they increase the power of public employees in the political decision making process. On the other hand, if limited bargaining laws do not have any real effects, people may recognize their inadequacy in promoting collective bargaining in the public sector, which, in turn, may increase the demand for more pro-bargaining laws. Thus, the nature of the net effects of these variables is an empirical question.

As a supply factor for legislation, the strength of opposition to the legislation by other interest groups (OG) is included in the model. Previous research (Farber, 1988; Hunt and White, 1983; Hunt et al., 1985; Waters and Moore, 1990; Waters et al., 1994) has shown that the major costs associated with public sector collective bargaining legislation are political costs, or loss of political support which will be large if other interest groups strongly oppose the legislation. Private sector employers should have strong incentives

2) Another factor that may raise the political costs of the legislation is an unfavorable attitude toward collective bargaining among constituents. But this is already captured by the general attitude variables.
to oppose the legislation because, as mentioned above, such legislation may strengthen private sector unions and increase taxation. The number of unfair labor practices charges against employers per representation petition is used as a proxy for the extent of opposition of private sector employers toward the legislation and collective bargaining.

In addition to the variables associated with public choice theory, I also examine the contagion effect in state legislation of public sector collective bargaining. It has been observed that contiguous states tend to adopt similar policies. Several factors may account for such an effect in public policy. Contiguous states may share similar socioeconomic characteristics. More importantly, state officials tend to consult frequently with contemporary officials in contiguous states when they face problems or develop new policies (Sharkansky, 1970). In addition, the existence of bargaining rights in contiguous states may affect the demand for similar legislation to the extent that it produces feelings of relative deprivation among public employees. In teacher collective bargaining legislation, Saltzman (1985) found that the fraction of contiguous states with mandatory bargaining laws was the most important predictor of enactment of more pro-bargaining laws. I include the fraction of contiguous states with mandatory bargaining laws (CS) to capture the tendency of contiguous states to adopt similar policies.

III. Data and Model Specification

I focus on state legislation of mandatory bargaining laws for state employees during the period 1965-1991. A mandatory bargaining law is defined herein as imposing the duty to bargain on public employers. Three different sources were used to collect the information on the state legislation: the National Bureau of Economic Research (NBER) Public Sector Collective Bargaining
Law Data Set, a compendium of state public sector labor relations laws published by the Public Employee Department, AFL-CIO, and the *Monthly Labor Review*.

In 1965, the first mandatory bargaining law for state employees was enacted in Delaware, and mandatory bargaining laws spread rapidly across states during the late 1960s and the 1970s. By 1980, 25 states had enacted mandatory bargaining laws. This trend, however, slowed dramatically in the 1980s. Since 1981 only two states have granted comprehensive bargaining rights to their state employees, either by legislation (Ohio in 1984) or by a court decision (Kansas in 1983). In 1990, Indiana granted bargaining rights to state employees by an executive order.

A description of explanatory variables and their means and standard deviations is reported in (Table 1). Note particularly the unionization rate. Unfortunately, no single series of state-level data on unionization rates covers the period 1965-1991. Thus, two series of data sets were combined. One was published by the U.S. Bureau of Labor Statistics (BLS), which covers the even years from 1964 through 1978. The other was Hirsch and MacPherson’s union membership data set compiled from the Current Population Surveys (CPS) that covers the years from 1983 to 1991. There

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3) For a detailed description of the NBER data set, see Valletta and Freeman (1988).
4) Note that my data include judicial decisions as well as state legislation. Although a separate theory might be needed to explain judicial decisions, most laws were enacted through legislation, thus, the difference between judicial decisions and legislation was ignored in this study.
5) Since an executive order may differ from legislation, separate analyses with and without the executive order were performed, but the results were almost identical. Thus, in the subsequent sections, the results of the analysis with the executive order are reported.
6) The collinearity problem was not as serious as one might expect. Among 55 simple correlation coefficients, only 5 were higher than .50. The highest correlation was .67 between the per capita income and earnings. The correlation table is available from the author on request.
7) See Hirsch and MacPherson (1993) for a detailed description of the data.
### Table 1: Descriptions, Means, and Standard Deviations

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>S.D.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>COPE</td>
<td>.46</td>
<td>.23</td>
<td>Fraction of votes by state's delegation to U.S. House of Representatives consistent with AFL-CIO-approved position on issues of interest to organized labor. (Source: AFL-CIO, Department of Legislation, Congressional Voting Records)</td>
</tr>
<tr>
<td>Right-to-Work</td>
<td>.53</td>
<td>.50</td>
<td>1 if a state has a right-to-work law.</td>
</tr>
<tr>
<td>South</td>
<td>.46</td>
<td>.50</td>
<td>1 if southern census region. (Source: U.S. Department of Commerce, Survey of Current Population)</td>
</tr>
<tr>
<td>State Employee</td>
<td>147.16</td>
<td>41.48</td>
<td>Number of full-time equivalent state employees per 10,000 population. (Source: U.S. Bureau of Census, Public Employment)</td>
</tr>
<tr>
<td>Earnings</td>
<td>1.92</td>
<td>.34</td>
<td>Average earnings of full-time state and local government employees in thousands of 1990 dollars (excluding education employees). (Source: U.S. Bureau of Census, Public Employment)</td>
</tr>
<tr>
<td>Urban</td>
<td>64.60</td>
<td>13.78</td>
<td>Fraction of state population residing in urban areas (Source: U.S. Bureau of Census, U.S. Census of Population)</td>
</tr>
<tr>
<td>Union</td>
<td>19.08</td>
<td>8.89</td>
<td>Fraction of unionized work force in state.</td>
</tr>
<tr>
<td>ULP</td>
<td>2.84</td>
<td>2.37</td>
<td>Number of unfair labor practices charges against employers per petition for representation by labor organizations. (Source: Annual Report of the NLRB)</td>
</tr>
<tr>
<td>LBL</td>
<td>.29</td>
<td>.45</td>
<td>1 if a state has a permissive bargaining law or a meet-and-confer law.</td>
</tr>
<tr>
<td>Contagion*</td>
<td>.20</td>
<td>.25</td>
<td>Fraction of contiguous states with mandatory bargaining laws</td>
</tr>
<tr>
<td>Dummy70-74</td>
<td>.22</td>
<td>.41</td>
<td>1 for the period of 1970-1974, 0 otherwise.</td>
</tr>
<tr>
<td>Dummy75-79</td>
<td>.17</td>
<td>.35</td>
<td>1 for the period of 1975-1979, 0 otherwise.</td>
</tr>
<tr>
<td>Dummy80-74</td>
<td>.15</td>
<td>.36</td>
<td>1 for the period of 1980-1984, 0 otherwise.</td>
</tr>
<tr>
<td>Dummy85-91</td>
<td>.19</td>
<td>.36</td>
<td>1 for the period of 1984-1991, 0 otherwise.</td>
</tr>
</tbody>
</table>

Notes: N = 895 state-years. aBased on 48 states (N = 843 state-years).
were two problems in combining the two data sets. First, even the two series did not cover the entire period. To construct a consistent time series of unionization rates by state, unionization rates were calculated by interpolation for the odd years between 1964 and 1978 and for the years between 1978 and 1983.\(^8\) Second, there are differences between the two series in measurement and in data collection. The BLS data did not include employee associations similar to unions but the CPS data set did include them. The BLS data were collected by national union survey, and the CPS was a household survey. Thus, note that the unionization measure might contain some measurement error. Though not entirely satisfactory, these were the best data available.

To investigate the effects of various explanatory variables on state legislation, an event history analysis was used. Event history analysis is particularly appropriate for dynamic models that focus on qualitative changes over time because it can deal with right-censored cases appropriately and can incorporate time-varying explanatory variables (Tuma and Hannan, 1984). My model can be expressed as follows:

\[
\mu(t) = \mu_0(t) \cdot \exp(X\beta),
\]

where \(\mu(t)\) is an instantaneous hazard rate of state legislation over time, and \(\beta\) and \(X\) represent vectors of coefficients and explanatory variables. The first term on the right-hand side is the baseline hazard rate that represents the effects of time on the process. The second term expresses the effects of explanatory variables on the hazard rate. This is a proportional hazard model because it assumes that the effects of independent variables are proportional and independent of time. A maximum likelihood procedure was used to estimate the model.

\(^8\) A similar method was used in Faber's (1988) study to construct a consistent time series of unionization rates by state.
IV. Results

To estimate the model, the issue of the functional form of the baseline hazard rate should be addressed first. Ideally the functional form of the baseline hazard rate should be derived from substantive theory that suggests how the hazard rate depends on time. Unfortunately, we do not have such a theory in state legislation of public sector collective bargaining. Thus, the functional form was derived from the data. [Figure 1] shows the survival function of state legislation with Greenwood confidence limits estimated by the Kaplan-Meier estimation procedure. A key characteristic of the Kaplan-Meier estimation is that it is a nonparametric estimator and, thus, does not impose any parametric assumptions. [Figure 1] shows that the hazard rate decreased gradually over time, especially during the 1980s.

(Figure 1) Kaplan-Meier Survival Function with Greenwood Confidence Limits
The Kaplan-Meier estimation, however, is a useful method only when explanatory variables have relatively weak effects on the hazard rate. If explanatory variables have strong effects, it may show a declining hazard rate even if the true hazard is constant over time (Allison, 1984). To estimate time dependence after controlling for the effects of the explanatory variables, a piecewise exponential model with all explanatory variables was estimated. The results of the piecewise exponential model are reported in Table 2 (column 2). The results show that the hazard rate had not changed significantly over time after controlling for the effects of explanatory variables. Thus, there is no evidence for time dependence in state legislation. A likelihood ratio test between the piecewise exponential model and the exponential model (column 3) could not reject at conventional levels of significance the hypothesis that the hazard rate is constant over time. A likelihood ratio test between the exponential model and constant only model (column 1) could reject at 0.01 confidence level a hypothesis that all coefficients of explanatory variables are zero. Thus, subsequent discussion is based on the results of the exponential model that assumes a constant hazard rate over time (column 3).9)

Among the general attitude variables, the coefficients of the "right-to-work" law and the southern region were significant at a level of 0.05 using a one-tailed test.10) The hazard rate for a "right-to-work" state was less than one third of the hazard rate for a state without a "right-to-work" law. The hazard rate in southern states was only one seventh of the hazard rate in other regions. The coefficient of the per capita income variable was also

9) There is a marginally significant decrease in hazard rate for the period between 1985-1991. However, the results of the piecewise exponential model that included the dummy variable for 1985-1991 only were very similar to those of the exponential model reported here. Thus, they were not reported.

10) One-tailed tests were used if the hypotheses were directional. Otherwise, two-tailed tests were used.
### Table 2: Results of Proportional Hazard Models

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-3.391</td>
<td>-4.934</td>
<td>-4.573</td>
<td>-4.059</td>
</tr>
<tr>
<td></td>
<td>(.172)</td>
<td>(3.383)</td>
<td>(3.168)</td>
<td>(3.242)</td>
</tr>
<tr>
<td>Dummy70-74</td>
<td>-.331</td>
<td>(.601)</td>
<td>(.773)</td>
<td>(.773)</td>
</tr>
<tr>
<td>Dummy75-79</td>
<td>-1.089</td>
<td>(.383)</td>
<td>(.383)</td>
<td>(.383)</td>
</tr>
<tr>
<td>Dummy80-84</td>
<td>-.913</td>
<td>(.230)</td>
<td>(.230)</td>
<td>(.230)</td>
</tr>
<tr>
<td>Dummy85-91</td>
<td>-2.874</td>
<td>(1.645)</td>
<td>(1.645)</td>
<td>(1.645)</td>
</tr>
<tr>
<td>COPE</td>
<td>1.029</td>
<td>1.053</td>
<td>2.866</td>
<td>.894</td>
</tr>
<tr>
<td></td>
<td>(1.518)</td>
<td>(1.247)</td>
<td>(1.437)</td>
<td>(1.437)</td>
</tr>
<tr>
<td>Right-to-Work</td>
<td>-1.209</td>
<td>-1.146</td>
<td>.318</td>
<td>-1.091</td>
</tr>
<tr>
<td></td>
<td>(.699)</td>
<td>(.630)</td>
<td>(.654)</td>
<td>(.654)</td>
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<tr>
<td>Income</td>
<td>.373</td>
<td>.214</td>
<td>1.239</td>
<td>.087</td>
</tr>
<tr>
<td></td>
<td>(.205)</td>
<td>(.156)</td>
<td>(.214)</td>
<td>(.214)</td>
</tr>
<tr>
<td>South</td>
<td>-1.836</td>
<td>-1.918</td>
<td>.147</td>
<td>-1.753</td>
</tr>
<tr>
<td></td>
<td>(.814)</td>
<td>(.760)</td>
<td>(.865)</td>
<td>(.865)</td>
</tr>
<tr>
<td>State Employee</td>
<td>.004</td>
<td>.004</td>
<td>1.004</td>
<td>.002</td>
</tr>
<tr>
<td></td>
<td>(.010)</td>
<td>(.009)</td>
<td>(.009)</td>
<td>(.009)</td>
</tr>
<tr>
<td>Earnings</td>
<td>-1.259</td>
<td>-.829</td>
<td>.436</td>
<td>-.340</td>
</tr>
<tr>
<td></td>
<td>(.993)</td>
<td>(1.033)</td>
<td>(1.180)</td>
<td>(1.180)</td>
</tr>
<tr>
<td>Urban</td>
<td>-.005</td>
<td>-.001</td>
<td>.999</td>
<td>-.000</td>
</tr>
<tr>
<td></td>
<td>(.023)</td>
<td>(.021)</td>
<td>(.030)</td>
<td>(.030)</td>
</tr>
<tr>
<td>Union</td>
<td>-.028</td>
<td>.000</td>
<td>1.000</td>
<td>.004</td>
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<tr>
<td></td>
<td>(.044)</td>
<td>(.042)</td>
<td>(.051)</td>
<td>(.051)</td>
</tr>
<tr>
<td>ULP</td>
<td>-1.102</td>
<td>-.256</td>
<td>.774</td>
<td>-.201</td>
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<tr>
<td></td>
<td>(.123)</td>
<td>(.090)</td>
<td>(.095)</td>
<td>(.095)</td>
</tr>
<tr>
<td>LBL</td>
<td>.866</td>
<td>.651</td>
<td>.917</td>
<td>.707</td>
</tr>
<tr>
<td></td>
<td>(.542)</td>
<td>(.466)</td>
<td>(.474)</td>
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<td>(1.493)</td>
<td>(1.493)</td>
<td>(1.493)</td>
<td>(1.493)</td>
</tr>
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</table>

significant at a level of 0.10 using a one-tailed test. The hazard rate increased by 24 percent as income increased by $1,000. The COPE score was not significant at conventional levels of significance.

Among the interest group variables, only the effect of the unfair labor practices was statistically significant at a level of 0.01 using a one-tailed test. The hazard rate decreased by 23 percent as the number of unfair labor practices charges against employers per representation petition increased by 1. The coefficient of the limited bargaining laws was positive, which implies that limited bargaining laws increased the hazard rate by 92 percent. Due to the large standard error, however, it failed to be significant in a two-tailed test.

Column 4 reports the results for the contagion effect. The model was estimated separately because Hawaii and Alaska do not have any adjacent states, and thus were excluded. The results show that the coefficient of the contagion effect was positive, which is consistent with the previous studies, but its large standard error prevented any precise estimation.

V. Conclusion

My study investigates the determinants of public sector bargaining legislation for state employees during the period 1965-1991. Using an event history analysis, I find that general attitudes toward collective bargaining is an important determinant of public sector collective bargaining, which is consistent with public choice theory. Public choice theory predicts that the more favorable the general attitude toward collective bargaining, the higher the demand will be for public sector bargaining legislation. A favorable attitude among constituents toward collective bargaining also reduces political costs associated with the legislation.
I also find that interest groups play an important role in state legislation of public sector collective bargaining: Private sector employers' opposition to unions and collective bargaining significantly reduced the probability of the legislation. However, the variables associated with the interest groups that should benefit from the legislation were not significant in this study. The existence of limited bargaining laws and the fraction of contiguous states with mandatory bargaining laws did not affect the legislation either.

Several factors may account for the insignificant effects of the variables measuring the effective demand by the interest groups that were expected to benefit from the legislation. One factor is measurement errors. Measurement errors in independent variables attenuate a relationship between two variables and cause a downward bias. Previous studies have shown that such a bias is likely to be larger in longitudinal studies than in cross-sectional studies (Freeman, 1984). In particular, the unionization rate variable might contain some measurement errors.

The relative ineffectiveness of state employee groups in the political arena is another factor that may account for the insignificant results. The service provided by state employees can hardly be regarded as essential, especially compared with the service provided by local public employee groups, such as police, fire fighters, and teachers. This suggests that state employees have relatively less power in political and collective bargaining arenas. This relative ineffectiveness of state employees is evident in the fact that state employees tend to have less comprehensive bargaining rights than do police, fire fighters, and teachers (Kochan, 1973). Since in some states several groups were covered by the same law, the political strength of public employees other than state employees might be a more relevant measure of the effective demand for the legislation.

However, political representatives may view the losses in political support to be more serious than the gains in political support. Since representatives
have already been elected, they have a substantial amount of political support, which they may try to maintain rather than actively seeking additional support. Thus, they may simply try to avoid becoming involved in any controversial issues such as public sector bargaining legislation.

To conclude, I demonstrate that public sector collective bargaining legislation should be treated as an endogenous variable and that public choice theory provides a useful framework in which to understand the legislation process. However, my results are not fully consistent with the previous findings based on cross-sectional analyses. It is not clear whether such inconsistency is due to the limitations of the present study mentioned above or the analytical shortcoming of previous cross-sectional studies. Further research on different public employee groups and with more accurate measures is needed.

REFERENCES


미국 공공부문 단체교섭법 결정요인에 관한 연구

박희준

요 약

본 연구에서는 1965년과 1991년 사이 미국에서 주공무원들에게 단체교섭을 허용하는 법의 제정에 영향을 미친 요인들을 분석하였다. 본 연구는 동태적 분석기법인 Event history analysis를 사용함으로써 Cross-sectional analysis를 사용한 기존 연구들의 한계를 극복하고자 하였다. 분석결과, 공공부문 단체교섭에 대한 공정적인 여론과 입법을 원하는 강력한 이익집단의 존재 등이 입법에 정의 영향을 미치는 것으로 나타났다. 그러나 단체교섭보다 낮은 수준의 노사협의를 요구하는 법의 존재나 단체교섭을 허용하는 인접하는 주의 비율 등은 입법에 영향을 미치지 않는다.