

At a Meeting of the Faculty of Arts and Sciences May 18, 2004, the following Minute was placed upon the records.

## **JOHN THOMAS DUNLOP**

Born: July 5, 1914

Died: October 2, 2003

John Dunlop was an extraordinary labor economist, dean, colleague, and mentor to students and practitioners in the world of labor. He was extraordinary because he was more than an economist, and because he was driven by a moral vision of what economists and academics should do to make the world better.

John saw the world through his own eyes and experience. You might think that all good social scientists see the world in that way, but in fact economics provides a particular set of glasses that exaggerates some parts of reality and hides others. Some of us need these glasses to see. John did not put on those glasses. John could see without them.

He looked at data and made his own judgment. In doing so, he helped set a foundation stone of labor economics which is deeply empirical. John's first major academic publication on real wages over the business cycle forced Keynes to admit that the General Theory was wrong on its assessment of this issue: Real wages fall in recessions not in booms, contrary to simple marginal productivity analysis.

Throughout his career, Dunlop followed his own vision. His book Wage Determination Under Trade Unions modeled unions as optimizing organizations. He engaged in a famous debate with Arthur Ross about treating unions as economic or political organizations. Later, John decided that the optimizing model was not a useful path to follow, and reversed direction. His book Industrial Relations Systems sought to develop a broader perspective on how labor relations fit into economics. In the 1980s, Dunlop carped at economists for failing to see what he could see in the labor market. Much of the economics profession might be marching off to "natural rate of unemployment" or to firm-specific human capital, but not John. More often than not, he was right.

Dunlop approached his work – from advising presidents and cabinet officials, to telling academics about the real world and telling practitioners about academic theory and testing of propositions – with one goal: to help solve problems. A classic example was John's response to a 1978 request from Murray Finley, President of the Mens Garment Workers Union, to explore what might be done to increase the productivity of American apparel workers. John visited dozens of plants, investigated automation, and met with all the practitioners: academic design engineers, industry production experts, suit manufacturers, textile firms, a chemical firm, the Union, the apparel retailers, and the Federal Department of Commerce. His vast knowledge and curiosity, combined with his ability to convince people that it was in their best interest to work together, led to the formation of the non-profit firm [TC]<sup>2</sup>, designed to help the U.S. apparel industry survive, and later to the formation of the Harvard Center for Textile and Apparel Research. This was just one of John's many extra-curricular activities that enriched both the University and the world.

His legacy in the University is immense. His legacy to labor economics is immense, both for his ideas and for his being the intellectual “father” and “grandfather” of many labor economists. His legacy in the world is immense. The moral principle that guided him – that academics should use their knowledge and skill to help solve problems faced by real people, by workers and firms, and governments – represents Harvard at its best in dealing with the world outside of academia. His legacy in labor economics and economics more broadly – to look at the world with your own eyes and experience, with direct knowledge of the institutions and practitioners – represents social science at its best in interpreting and analyzing the world.

Those of us who were close to John miss his curmudgeonly criticisms and vast knowledge. We will keep alive his legacy of applying our knowledge to the world to help understand and solve social problems. This is the greatest memorial the University can give to him.

Respectfully submitted,

Frederick Abernathy  
Caroline M. Hoxby  
Lawrence Katz  
Richard B. Freeman, Chair