

Referee Report 2

The point of this paper is to document the impact of union coordination on the pricing equation. The interest of the finding would be to explain why researchers have not been able to exhibit a clear impact of coordination on unemployment.

I think that the result of is of interest.

The redaction is a bit fuzzy. The authors should provide a short and intuitive presentation of the theoretical literature on the wage and price setting equations. An intuitive presentation of the impact of union coordination on the wage setting and price setting should also be provided.

The section “Theoretical Foundation of the estimated equation” is not really informative. At the end, there is equation (8), which is not so easy to relate to the rest of the section.

The empirical part of the paper spends way to much space in the presentation of the different econometric issues from p12 to p17 but little to the real economic problem. I was expecting to have a simultaneous estimation of both the wage setting and the price setting equation using a SUR estimation. This is not provided. From Table 3, there seems to be four models. None are explicitly provided.

I would propose two options to revise the paper:

- 1) A note, in which an empirical result would be established with a good intuitive explanation of the impact of union coordination on the wage and price setting equations.
- 2) A more ambitious paper, in which a model would be provided to explain the impact of union coordination on the price setting equation. Additional prediction of the model could then be tested.