

**Why Labour Economics is Inadequate for Theorising Labour Unions**

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The discussion challenges the assumed superiority of labour economics as a means of theorising labour unions by applying a critical realist critique to methodologies typically applied in the field. For this purpose the critique draws on the work of Roy Bhaskar (1978, 1979, 1986, 1989, 1991, 1994, 1995, 2000) by first situating critical realism within two broad philosophical traditions: *classical empiricism* and *transcendental idealism*. It points out the failure of these traditions to acknowledge the possible existence of autonomous structures and objects which are beyond empirically-based calculation and conceptualisation, arguing instead that such structures and objects can only truly be revealed through research methodologies that make reference to a layered ontology. The discussion then advances on this by outlining the main features of critical realism's three-way ontology, which are divided in terms of their *empirical realist* and *transcendental realist* specifications, before providing an example of how this ontological reasoning diminishes the validity of research on trade unions based solely on hypothetical deductive methodologies of the type commonly used in labour economics.