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## Coordinating Supply Chains with Simple Pricing Schemes: The Role of Vendor-Managed Inventories.

In recent years, Europe has witnessed an accelerated process of economic integration. This paper analyzes how increased economic integration has affected labor and product markets. We use a panel of Belgian manufacturing firms to estimate price-cost margins and union bargaining power and show how various measures of globalization affect them. Import competition puts pressure on both markups and union bargaining power, especially when there is increased competition from low wage countries. This suggests that increased globalization is associated with a moderation of wage claims in unionized countries, which should be associated with positive effects on employment.