

SELECTED REFERENCES

INDUSTRIAL RELATIONS SECTION

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NOTEWORTHY BOOKS IN INDUSTRIAL RELATIONS AND LABOR ECONOMICS, 1999.*

The Industrial Relations Section is pleased to announce that this year's winner of the Richard A. Lester Award is Timothy J. Minchin for *Hiring the black worker: the racial integration of the Southern textile industry, 1960-1980*.

Bales, Kevin. *Disposable people: new slavery in the global economy*. Ewing, NJ 08618. University of California Press (California-Princeton Fulfillment Services, 1445 Lower Ferry Rd). 1999. 298 pp. \$14.95, paper.

Kevin Bales describes in detail one effect of globalization: bonded slavery, in which people receive no wages for their work and do not have the freedom to change their situation. He estimates that there are 27 million bonded slaves in the world today. Bales humanizes that number by using five chapters to focus on individuals: a fifteen-year-old sex slave in Thailand, a Mauritanian water carrier, a Brazilian charcoal-maker, Pakistani brick makers, and Indian farm laborers. His data is drawn from onsite investigations and personal interviews with slaves, slaveholders, and public officials in the aforementioned countries as well as parts of Europe and the Americas. While Bales' analyses and case studies have received some criticism, nonetheless, he makes it difficult for the reader to ignore a distressing current reality in the burgeoning world economy.

Behavioral dimensions of retirement economics. Edited by Henry J. Aaron. Washington, D.C. 20042-0029. Brookings Institution Press (Dept. 029). 1999. 289 pp. \$42.00.

The essays in this volume combine research findings of psychology, sociology, and law with the traditional approaches of economic theory and econometrics to address the question of whether public policy should or even can be used to influence retirement behavior. Gary Burtless gives a simple explanation of the standard framework economists use for analyzing lifetime labor supply. Annamaria Lusardi, using a life-cycle model of decision-making with data from the Health and Retirement Study, reports that a large minority of the population saves nothing for retirement and does not even think about retirement. Mathey Rabin and Ted O'Donoghue show that people who procrastinate in planning for retirement suffer huge economic losses. Robert Axtell and Joshua Epstein show that the decision to retire is better explained by the behavior of the social network to which people belong rather than by rational decision-making. David Fetherstonhaugh and Lee Ross present evidence that people would be more willing to defer retirement if they received a lump-sum payment rather than an increase in their monthly retirement benefit. George Lowenstein, Drazen Prelec, and Roberto Weber report that many people incorrectly anticipate what retirement will be like and then rationalize their decisions. Shelly Lundberg

* Items on this list should be ordered directly from the publisher. Addresses are given in connection with each reference.

suggests that game theory could be applied to the analysis of retirement decisions of married workers to take into account the impact of the couple's joint deliberations.

Bewley, Truman Fassett. *Why wages don't fall during a recession*. Cambridge, MA. 02138. Harvard University Press (79 Garden St.). 1999. 527 pp. \$55.00.

To answer the question of wage rigidity, Bewley uses the unusual economic technique of conducting a survey. After more than three hundred interviews with business people, labor leaders, counselors of the unemployed, and business consultants during the recession of the early 1990s, he concludes that wage stability comes from a desire to encourage loyalty, which seems at first to conflict with layoffs. His findings contradict most existing theories of wage rigidity, which Bewley believes fail in part because they depend on specific, erroneous assumptions about the motives and behavior of employers or employees. The author's survey results indicate that labor is in excess supply during recessions. Firms have layoffs because of financial setbacks, technical improvements, and declines in product demand, not because of declines in productivity or wage demands.

Cappelli, Peter. *The new deal at work: managing the market-driven workforce*. Watertown, MA 02472. Harvard Business School Publishing (300 N. Beacon St.). 1999. 307 pp. \$29.95.

The author's theme is the new employment relationship that has emerged from corporate restructuring, and how it is changing employee management. Most prominent in his description is the growing power and influence of the labor market. Cappelli states that the threat of going to the outside labor market has the same effect on employers that competition in product markets has on producers. The long-term commitments and assumptions of the older employment practices have given way to a negotiated relationship where power shifts back and forth between employer and employee based on conditions in the labor market. The most important new division in the workplace is between top executives and all other employees. The sharpest decline in national employee attitude data in the last decade is in confidence in and satisfaction with top management.

Earning and learning: how schools matter. Edited by Susan E. Mayer and Paul E. Peterson. Washington, D.C. 20042-0029. Brookings Institution Press (Dept. 029). 365 pp. \$42.95, cloth; 18.95, paper.

The skills children acquire in school have a significant impact on their later earning ability. The essays in this volume that examine this and related issues derive from some of the presentations at a conference on "Meritocracy and Inequality," held at Harvard University in September 1996. The essays in the first half of the book try to give better estimates of the effect of schooling on cognitive test scores and on wages. In the second half, the authors try to demonstrate how effective a variety of educational policies are likely to be in increasing these scores. The school reforms reviewed include class size, content of the curriculum with a focus on math courses and achievement, redesigning school governance, and school choice. In their conclusion, Mayer and Peterson point out that the reforms that are likely to yield the highest payoff, such as the use of higher teachers' salaries in attracting more qualified people to teach more rigorous mathematics and science courses, rigorous national or statewide examinations, or voucher programs, are politically the most controversial.

Employment dispute resolution and worker rights in the changing workplace. Edited by Adrienne E. Eaton and Jeffrey H. Keefe. Ithaca, NY 14851. ILR Press (CUP Services, 750 Cascadilla St., P.O. Box 6525). 1999. 303 pp. \$24.95.

The authors focus on the grievance-arbitration system and developments that are occurring to reform the process. Three chapters cover the non-union sector and its experimentation with dispute resolution. Two of these chapters examine the

existing legal framework surrounding mandatory arbitration, one from the historical perspective and one from the perspective of a practitioner. A third chapter reviews the empirical literature on non-union dispute resolution. Other chapters are devoted to grievance mediation, the status of the grievance procedure in workplaces with extensive worker/union participation, a review of developments in the public sector, a report on components unique to the unionized construction industry, and the waning of union power. The authors, hoping to shape future research about workplace dispute resolution, have provided research questions and reviews and evaluations of current research literature in each chapter.

Freeman, Richard Barry and Joel Rogers. *What workers want*. Ithaca, NY 14851. ILR Press CUP Services (750 Cascadilla St., P.O. Box 6525). 1999. 226 pp. \$17.95, paper.

This book reports the findings of the Worker Representation and Participation Survey (WRPS) that the authors describe as "the most extensive analysis of American worker attitudes toward workplace relationships and power." The study attempted to determine the levels and kinds of representation and participation workers want within their firms, how they rate existing governance arrangements, and the types of reform they want. Their basic findings include the following: 1) American workers want more influence at the workplace than they now have, because they think it will improve the quality of their working lives and make their firm more successful. 2) Workers want a cooperative relation with management. 3) Workers want some measure of independence and joint decision-making. 4) Workers believe that management resistance is the major barrier to sharing power. 5) Workers generally welcome management-initiated employee involvement programs, but believe that they do not go far enough. 6) Workers exaggerate their statutory workplace rights, believing that anything that seems blatantly unfair is also illegal. 7) Most workers want an organization that is run jointly by employees and management, to which workers elect their own representatives.

Juravich, Tom and Kate Bronfenbrenner. *Ravenswood : the steelworkers' victory and the revival of American labor*. Ithaca, N.Y 14851. ILR Press (CUP Services, 750 Cascadilla St., P.O. Box 6525). 1999. 245 pp. \$39.95, cloth; \$15.95, paper.

The authors chronicle the twenty-month struggle and final victory by Local 5668 of the United Steelworkers against a lockout by the Ravenswood Aluminum Company in West Virginia that began in 1990. The new global owners and management of the plant that had formerly been owned by Kaiser were prepared to confront a militant local. The union mounted a sophisticated and coordinated campaign, branching out from traditional methods to national and international actions. They targeted Marc Rich, international financier and fugitive, who was part of Ravenswoods ownership network. They eventually initiated anti-Rich activities in twenty-eight countries, even managing to stop Rich's plan to buy the Slovakian National Aluminum Company, by asking Czechoslovakian President Vaclav Havel not to deal with the criminal. Final negotiations resulted in a new contract, which included firing replacement workers, whose presence had rent the community. In the epilogue, the authors summarize the reality that followed the elation of the union's victory.

Latinas and African American women at work: race, gender, and economic inequality. Edited by Irene Browne. Ithaca, N.Y 14851. ILR Press (CUP Services, 750 Cascadilla St., P.O. Box 6525). 1999. 441 pp. \$39.95.

Social scientists from sociology, economics, public policy, women's studies, and ethnic studies employ a variety of perspectives and methodologies to focus on the labor market outcomes of Latinas and African American women, groups at greatest risk for poverty and lowest wages. After Browne's introductory chapter that summarizes and critiques the existing literature, the editor groups the essays

into three parts. The chapters in Part I explore the extent of inequality between these women of color and white women, white men, and coethnic men. The chapters in Part II use various methodological tools to examine specific groups and theoretical issues underlying national trends. The chapters in Part III draw out the implications of the empirical results for theory, method, social action, and policy making. The suggestions for action include: improving educational attainment and job training; desegregating occupations and instituting comparable worth policies; lessening residential segregation; improving wages and tax policy; improving access to health care; providing subsidized day-care; ensuring a safety net that was lost with the replacement of Aid to Families with Dependent Children by the more limited Temporary Aid to Need Families program; addressing the family support gap; expanding anti-discrimination policies; and restructuring work by allowing for greater flexibility in work hours and developing meaningful part-time positions.

Minchin, Timothy J. *Hiring the black worker: the racial integration of the Southern textile industry, 1960-1980*. Chapel Hill, NC 27515. University of North Carolina Press (P.O. Box 2288). 1999. 342 pp. \$49.95, cloth; \$19.95, paper.

This volume describes a previously neglected aspect of the civil rights movement: its economic effect on southern workers and the southern labor movement. While political and civil rights leaders at that time recognized the importance of economic equality, they realized that ending discrimination in employment was far more complex than achieving political or legal equality. Minchin's work highlights the breakthroughs African American workers made in employment in the southern textile industry through the efforts of civil rights organizations, labor unions, and the workers themselves. He notes that between 1960 and 1969, the number of black textile workers grew four times faster than the national average for all manufacturing. He also notes that the type of discrimination experienced differed by gender; black males had difficulty getting promoted, while African American women had difficulty getting hired in the first place. Minchin's detailed study draws from a vast number of legal records: documentation from class action and racial discrimination suits, depositions and trial testimony, company records, interviews, and letters workers wrote to the Equal Employment Opportunity Commission that were responsible for initiating the lawsuits.

Pryor, Frederic L. and David L. Schaffer. *Who's not working and why: employment, cognitive skills, wages, and the changing U.S. labor market*. Port Chester, NY 10573. Cambridge University Press (110 Midland Ave.). 1999. 300 pp. \$34.95, cloth; \$22.95, paper.

The authors present a new explanation for joblessness in the United States during the period from 1970 to 1996. They are particularly concerned with the experience of less-educated, prime-age men, downward occupational mobility, and stagnating and falling real wages, with attendant wage inequality, throughout the labor market. Pryor and Schaffer explore the underlying causes of these trends, taking into account the cognitive skills of American workers and the detailed occupational structure of the labor force. They demonstrate that what a worker knows has become more important than a worker's formal education. They also show that because of the gender differential in wages, women are replacing men in many occupations. Their data sets included one generated from statistical estimates and a model developed by the Census Bureau that make it possible to track the economics of individual occupations from 1970 through 1996. A second unique data set was the National Adult Literacy Survey, used to derive measures of functional literacy, that allowed the authors to separate the different effects of literacy and education and to match both with occupation.