

# SELECTED REFERENCES

INDUSTRIAL RELATIONS SECTION

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## NOTEWORTHY BOOKS IN INDUSTRIAL RELATIONS AND LABOR ECONOMICS, 2000.\*

The Industrial Relations Section is pleased to announce that this year's winners of the Richard A. Lester Award are Price Van Meter Fishback and Shawn Everett Kantor for *A prelude to the welfare state: the origins of workers' compensation*.

Ariga, Kenn, Giorgio Brunello and Yasushi Ohkusa. *Internal labor markets in Japan*. Port Chester, NY 10573. Cambridge University Press (110 Midland Ave.). 2000. 291 p. \$69.95.

The authors examine the implications of dramatic changes in economic performance for the Japanese internal labor markets. In Part I, they look at promotion, earnings profiles, and rent-sharing in Japanese internal labor markets and try to relate these features to macroeconomic developments, such as the slowdown in the rate of economic growth in Japan and the progressive aging of its labor force. Part II combines case studies with an investigation of the evolution of the wage and employment structures in large and medium-sized Japanese firms. The options for institutional change are developing a more Anglo-American employment system, with its position-based job rating and pay for performance, or retaining the current system but minimizing its cost, especially tenure-related pay. The authors emphasize that developing a new employment system requires major changes in the company's hiring policies, allowing the company to offer new types of employment contracts to new entrants only.

Carnoy, Martin. *Sustaining the new economy: work, family, and community in the information age*. Cambridge, MA 02138. Harvard University Press (79 Garden St.). 2000. 238 p. \$42.00.

Martin Carnoy discusses the changing workplace in the information economy and the effect workplace transitions have on families, social networks and communities. Carnoy's review of studies on the relationship of the new technology to the job market leads him to conclude that "technology seems simultaneously to de-skill and reskill the labor force," the actual impact depending on "characteristics of the labor force and on the relation between the economy and the educational system." He notes that the two key elements of the transformation of work are "flexibility of the work process and the networking of firms and individuals in firms." Workers must be able to change companies and even types of work, as jobs are redefined. But with increased labor market flexibility, workers are separated from the social institutions that were a part of stable, long-term jobs. Carnoy suggests that schools and universities become the community centers of the new economy, with social connections organized around educational activities.

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

Clark, Paul F. *Building more effective unions*. Ithaca, NY. 14851. Cornell University Press (CUP Services, P.O. Box 6525). 2000. 207 p. \$19.95, paper.

Clark believes that strong unions today depend on building an engaged and informed union membership at the local level. Based on the principles of behavioral science research, the author provides a model for member participation and union effectiveness. He addresses such issues as orienting and socializing new members into the union, union political efforts, handling of contractual grievances, and the effective use of information and communication strategies. Clark emphasizes that unions need to change from being reactive to being proactive, using strategic, long-range planning, usually associated with management. Systematic planning needs to take place on the local and state levels, taking into consideration the importance of members' attitudes, the manner in which these attitudes shape behavior, and the individual and environmental considerations that influence these attitudes.

*Finding jobs: work and welfare reform*. Edited by David E. Card and Rebecca M. Blank. Ithaca, NY 14851. Russell Sage Foundation (CUP Services, P.O. Box 6525.). 2000. 549 p. \$55.00.

The twelve essays in this book address questions related to the nature of the labor market for less skilled workers, often welfare recipients or former welfare recipients, who are making the transition to full-time work. Among the findings are the following. Hilary Hoynes employs the unusual technique of studying labor market outcomes at the local level to examine how less skilled workers respond to macroeconomic cycles. Her findings confirm that business cycle changes have a greater impact on less educated workers, nonwhites and, in some cases, women, than on highly educated, white males. Timothy Bartik's estimates of the effect of the movement of former welfare recipients into the labor market suggest that the impact will be greatest on both employment and wages of currently employed less skilled women. Susan Mayer and Jane Waldfogel explain that the narrowing of the wage gap between less skilled men and women is due primarily to the fall in real earnings for less skilled men. Without longer work hours or supplementary benefits, the income position of these workers would not have increased over the past two decades. Stacy Dickert-Conlin and Douglas Holtz-Eakin compare government programs that offer subsidies to employers or to workers. Patricia Anderson and Phillip Levine investigate the influence of child care subsidies on the employment outcomes of single mothers. Kristin Butcher and Luojia Hu find that immigrants are more likely than native born to use transfer programs, when they compare the participation rates of the two groups. Robert Moffitt and LaDonna Pavetti assess the likely effects of the five-year time limit on the receipt of program benefits from TANF block grants, using historical welfare participation data, as well as recent program data from the states.

Fishback, Price Van Meter. and Shawn Everett Kantor. *A prelude to the welfare state: the origins of workers' compensation*. Chicago, IL 60628. University of Chicago Press (11030 S. Langley Ave.). 2000. 316 p. \$41.50. (NBER series on long-term factors in economic development)

Workers' compensation programs are sponsored by state governments to help workers deal with the consequences of workplace accidents, paying medical costs and replacing up to two-thirds of lost earnings. In the early years of the twentieth century, workers' compensation was the first of the social insurance programs to be widely enacted in the United States. It helped establish the precedent for governmental aid programs for needy civilians and the principle that government should require employers to participate in providing funds to workers in need. The authors note that workers' compensation legislation evolved from the mutual interests of each of the major groups involved—workers, employers and insurance companies—to resolve problems with workplace accident. A common ground of interest did not exist for other state government programs such as unemployment,

old-age, or health insurance. The authors are convinced that the ability to establish the same type of coalition to reform the modern workers' compensation system relies on workers' ability to insure at least some aspects of their own workplace accident risk.

Hyclak, Thomas. *Rising wage inequality: the 1980s experience in urban labor markets*. Kalamazoo, MI 49007-4686. W.E. Upjohn Institute for Employment Research (300 S. Westnedge Ave.). 2000. 159 p. \$36.50, cloth; \$17.50, paper.

The author studied changes in wage inequality in a sample of twenty metropolitan labor markets in the United States from 1974 to 1991. Hyclak's approach to the rise in wage inequality differs in three ways from the prevailing literature written during the past decade. First, it focuses on changes in the wage structure in a sample of local labor markets rather than the national labor market. Second, it examines changes in the structure of the wages paid for specific jobs, using data from the Area Wage Surveys, which report the distribution of wages paid by establishments for a number of local job titles, rather than micro data from the Current Population Survey (CPS), which records wages and salaries reported by individual workers. Third, since the rise in wage inequality appears to coincide with the wage advantage of highly skilled workers, Hyclak focuses on the job skills required as the primary determinants of wages instead of using the traditional human capital wage model, which emphasizes the personal characteristics of workers, such as schooling and potential experience. Among his findings, Hyclak notes that changes in the distribution of wages within local labor markets appear responsive in the short run to changes in local occupational unemployment rates.

*The impact of international trade on wages*. Edited by Robert C. Feenstra. Chicago, IL 60628. University of Chicago Press (11030 S. Langley Ave.). 2000. 406 p. \$66.00. (A National Bureau of Economic Research conference report)

The ten essays in this volume examine the relationship of international trade to wages of U.S. workers, reexamine the role of product prices in determining wages, and present new evidence on regional variation in wages and employment. Gordon Hanson, Deborah Swenson and Feenstra consider the impact of international trade on the demand for labor by focusing on the offshore assembly provision of U.S. trade law, which allows U.S. firms to pay duty only on the foreign value added portion of their products. The evidence from this program confirms that outsourcing has shifted demand away from low-skilled American workers, at least in the apparel and machinery industries. Robert Lawrence examines the extent to which changes in productivity in American industries are correlated with measures of trade and finds a slight impact of import competition on productivity. Andrew Bernard and Bradford Jensen analyze how the wage premium varies across states over time and find that state wages are more responsive to regional employment shocks than to national shocks in the same industry. Linda Goldberg and Joseph Tracy analyze the effect of industry-specific real exchange rates on industry wages and employment at the state level and also find that the effects are greater at the state than at the national level. Lori Kletzer finds that imports have a modest impact on labor displacement in U.S. manufacturing industries, but that exports have a stronger effect on reducing labor displacements.

Lamont, Michèle. *The dignity of working men: morality and the boundaries of race, class, and immigration*. Cambridge, MA 02138. Russell Sage Foundation; Harvard University Press (79 Garden St.). 2000. 391 p. \$42.00.

Lamont conducted open-ended interviews with 150 American and French blue-collar workers and compared their answers to those of middle-class people in the United States and France. The interviewees were asked to differentiate between their values and those of others and to describe what kind of people they liked to associate with or avoid, and to whom they felt superior or inferior. Work and family emerged as core values for the blue-collar workers. For middle-class American men, work often means

a fulfilling or stimulating career or profession whose demands have to be balanced against the needs of daily family life. For blue-collar workers, family life is the most meaningful thing in their lives, whereas a job is just a job. Blue-collar workers do not value what they perceive as middle-class ambitions to gain money and success. The author notes that the image of a particular work ethic and sense of responsibility has strong racial and socioeconomic overtones. The white workers Lamont interviewed value most a disciplined self; black workers value most a caring self. These images reinforce racist beliefs. In contrast to American white working men, French workers embrace the poor in the name of solidarity, but dwell on the cultural differences between themselves and North African immigrant workers.

*Manufacturing advantage: why high-performance work systems pay off.* Edited by Eileen Appelbaum et al. Ithaca, NY 14851. Cornell University Press (CUP Services, P.O. Box 6525). 2000. 259 p. \$19.95, paper.

This volume examines whether high-performance work systems (HPWSs) actually help companies reduce costs and improve plant performance and how they affect wages and important nonmonetary outcomes for workers. The authors surveyed a random sample of workers to assess how HPWSs affect worker attitudes. In addition, they interviewed supervisors in steel and apparel plants, white-collar employees in the medical electronic instruments and imaging industry, and where appropriate, union officials. The authors found that, in general, organizational changes in the plants make them more productive, increasing the output or generating a qualitatively superior or more varied product. Evidence suggests that HPWSs also improve working conditions. Workers in participatory work systems are less often required to work overtime involuntarily and are less likely to experience conflict with coworkers. These workers find their physical surroundings less problematic and feel that they have adequate resources to do their jobs. In the long run, participatory work systems contribute to more rapid productivity growth in manufacturing, and the companies that employ them can expect to have a competitive advantage over competitors with more traditional work systems.

*Youth employment and joblessness in advanced countries.* Edited by David G. Blanchflower and Richard B. Freeman. Chicago, IL 60628. University of Chicago Press (11030 S. Langley Ave.). 2000. 483 p. \$74.00. (NBER Comparative labor markets series)

Young workers have lower wages and higher rates of joblessness than older workers. The gap between youth and adult workers in terms of wages and employment increased in the 1970s, presumably due to the entry of the baby boom generation into the job market. Surprisingly, that gap worsened in virtually all advanced countries in the 1980s and 1990s as the baby boom generation aged and the youth cohort declined in size. The eleven studies in this volume extend the traditional focus on wages and employment in examining the persistence of the youth labor market problem to other outcome measures, such as living arrangements, crime, and measures of self-reported happiness. The first three chapters analyze the youth labor market in various countries and reveal that changes (demographic, technological, employment sector, education and skill levels) that should have favored younger over older workers did not bring the anticipated results. Chapters 4 through 7 look at the responses of young workers to the poor labor market positions. Enrollments in higher education have increased, and there are more concentrators in business than in science or the liberal arts, more professional degrees than Ph.D.s. Young persons also stay longer in their parents' homes or postpone setting up their own families. A more disturbing response, the authors note, is the increase in youth criminal activity. The chapters in the last section of the volume examine the effectiveness of programs designed to help young persons in the job market. Only the highly structured German apprenticeship system seems to be effective in helping youth make a successful transition into the job market.