

SELECTED REFERENCES

INDUSTRIAL RELATIONS SECTION

PRINCETON UNIVERSITY

No. 251

Princeton, NJ 08544

March 1990

NOTEWORTHY BOOKS IN INDUSTRIAL RELATIONS AND LABOR ECONOMICS, 1989*

The Industrial Relations Section is pleased to announce that this year's winners of the Richard A. Lester Award are William G. Bowen and Julie Ann Sosa for *Prospects for faculty in the arts and sciences: a study of factors affecting demand and supply, 1987 to 2012*.

Aaron, Henry J., Barry P. Bosworth and Gary Burtless. *Can America afford to grow old: paying for social security*. Washington, DC 20036. The Brookings Institution (1775 Massachusetts Avenue, N.W.). 1989. 144 pp. \$7.95, paper.

The authors contend that current and projected surpluses of the social security trust fund are not sufficient to cover long term costs and benefits. This book attempts to determine the size of the burdens that social security and medicare hospital insurance will impose on future workers and evaluate the actions that can be taken today to reduce or eliminate these burdens. Current means of investing social security reserves are examined, and alternative policies and their consequences are discussed using an economic model based on well tested economic theory. The concluding chapter addresses the issue of privatizing social security and the question of whether the social security trust funds should continue to be consolidated in the overall federal budget. The authors urge that the swelling of social security surpluses be used to raise national saving to offset most of the added costs of the benefits rather than to conceal the true size of the budget deficit.

Bowen, William G. and Julie Ann Sosa. *Prospects for faculty in the arts and sciences; a study of factors affecting demand and supply, 1987-2012*. Princeton, NJ 08540. Princeton University Press (41 William St.). 1989. 225 pp. \$24.00.

Bowen and Sosa provide a comprehensive quantitative analysis of the factors affecting the prospective supply and demand for faculty in the arts and sciences over the next 25 years. The first chapter explains the research methodology, the types of institutions included in the study, and the eight broad disciplines involved. The following six chapters present analyses of SDR and HEGIS data which suggest that severe imbalances are likely to occur in faculty labor markets if actions are not taken soon to avert them. Topics included are: age distribution of faculty members; population trends and enrollment projections; trends and projections of enrollment by sector and field of study; student faculty ratios and projections of faculty positions; factors affecting the supply of new doctorates; and the changing balance between supply and demand in academic labor markets. The authors project a substantial excess demand for faculty in the arts and sciences between 1997-2002. The final two chapters pertain to public policy issues and proposals for actions that academic institutions might undertake in light of tightening labor market conditions. This provocative study has fueled spirited debate in both the popular and academic press.

Chalmers, Norma J. *Industrial relations in Japan: the peripheral workforce*. New York, NY 10001. Routledge (29 West 35th Street). 1989. 283 pp. \$45.00.

Most research concerned with Japan's industrial society focuses on the country's core of workers in large enterprises such as Nissan, Toyota or Sony,

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

which actually makes up a small fraction of the total Japanese workforce. This special focus may contribute to inaccurate perceptions of Japan's overall industrial relations picture. Chalmers looks at workers who are employed in medium and small firms or who work on an irregular basis, such as the self-employed, seasonal workers, part-timers, temporary and day laborers, industrial homeworkers and agro-industrial workers. She explores working conditions and employment status, various types of industry and establishment sizes, and the urban or rural location of the workplaces involved. She examines interactions and influences between the core and the peripheral unions as well as the Japanese government's role in maintaining their relationship. She also looks into the mechanisms of communication and conflict. The author suggests that the gap between the sectors is increasing and that the relative power of workers to have input into the industrial relations agenda diminishes as firms become smaller.

Comparable worth: analysis and evidence. Edited by M. Anne Hill and Mark R. Killingsworth. Ithaca, NY 14851-0952. ILR Press (Cornell University, New York State School of Industrial and Labor Relations). 1989. 138 pp. \$24.00.

The papers in this volume provide a carefully reasoned discussion of comparable worth. Mark Aldrich and Robert Buchele analyze efficiency wage models and find that the greatest impact of comparable worth may be in high-wage industries where relatively few women are employed. Joyce P. Jacobsen uses a neoclassical economic model and concludes that increased enforcement of antidiscrimination laws may be more effective than comparable worth in reducing a gender-based wage gap. Elaine Sorensen offers an empirical analysis that focuses on the relationships among occupational characteristics, individuals' traits, and pay differences. She suggests that the gender composition of occupations accounts for a larger fraction of the pay gap than previously reported and comparable worth may narrow the gap more than expected. Ronald G. Ehrenberg reviews research findings on the expected and actual effects of comparable worth on pay gap, employment, female labor supply, and occupational mobility.

Current issues in labor relations: an international perspective. Edited by Alan Gladstone et al. Hawthorne, NY 10532. Walter de Gruyter (200 Saw Mill River Road). 1989. 380 pp. \$90.00.

This volume contains selected, revised presentations to the Seventh World Congress of the International Industrial Relations Association held in Hamburg in 1986. Following the themes of that Congress, the papers fall under four main headings: technological change and labor relations; institutional forms of workers' participation, with special reference to the Federal Republic of Germany; new trends in working time arrangements; and cooperation and conflict in public service labor relations. In addition to an overall introduction to the volume, each chapter is enriched by a fine thematic introduction to the four broad subjects treated. Included among the diverse essays in the first three chapters are: "Technological change in the United States: unions and employers in a new era", by Everett M. Kassalow; "New technology in the context of structural change, with special reference to Japan", by Yasuo Kuwahara; "An American perspective of the German model of workers participation", by Clyde Summers; "Co-determination in the Federal Republic of Germany: an external perspective from the United Kingdom", by Alan C. Neal; "Worksharing and labor market flexibility: a comparative institutional analysis", by Duncan Colin Campbell; and "New working time arrangements in the Netherlands", by Jelle Visser. The last chapter offers interesting descriptions of public service labor relations systems in Australia, Canada, the Federal Republic of Germany, Japan, Nigeria and the United States.

Hutchens, Robert M., David B. Lipsky and Robert N. Stern. *Strikers and subsidies: the influence of government transfer programs on strike activity.* Kalamazoo, MI 49007. W. E. Upjohn Institute for Employment Research (300 South Westnedge Ave.). 1989. 230 pp. \$21.95, cloth; \$12.95, paper.

This book examines: government transfer programs such as unemployment insurance and welfare assistance; how they affect strike activity; and appropriate policy responses. The authors describe and evaluate the complex and

diverse rules governing striker eligibility for government transfers. Current policies rarely allow strikers and their families to receive public assistance or food stamps. However, under certain circumstances, they are able to obtain unemployment insurance benefits. The authors find that state-level data do not support the claim that welfare assistance affects strikes. There is evidence, however, that links unemployment payments to strike activity. The authors conclude that the system is seriously flawed. While it denies public assistance benefits to the family of a law-abiding striker irrespective of hardship, it provides unemployment insurance benefits to strikers when the involuntary nature of their unemployment is fraught with ambiguity. It increases the level of strike activity by placing part of the burden of financing strike related transfers on the larger society. The authors propose a package of alternative policies that are oriented toward alleviating hardship and promoting industrial peace.

Fink, Leon and Brian Greenberg. *Upheaval in the quiet zone: a history of Hospital Workers' Union 1199*. Champaign, IL 61820. University of Illinois Press (54 East Gregory Dr.). 1989. 320 pp. \$24.95, cloth; \$9.95, paper.

The authors chronicle the gripping story of Local 1199, an unusual and successful labor union. They track the 30-year history of this champion of female and minority hospital workers from its conception as a Communist-led, primarily Jewish pharmacists' union during the McCarthy era, through its rise as a New York hospital workers' union in the 1960s, to its current organizational difficulties. Because of its large black and hispanic membership, Local 1199 had strong ties to the civil rights movement. Despite initial defeats at the bargaining table, Local 1199 benefitted from the support of the New York City labor movement, well-known public figures such as Eleanor Roosevelt, the solidarity and persistence of its members, and its alliance with black community leaders. Although strong and successful in New York, it had difficulty establishing strong power bases in other locations, such as Charleston, South Carolina. In the 1970s and 80s, Local 1199 was rocked by internal divisions centered around finding a successor to president and founder Leon Davis. This internal struggle coupled with external problems have left the union struggling for survival. Fink and Greenberg make effective use of oral history interviews and illustrations to bring this vivid story to life.

Ippolito, Richard A. *The economics of pension insurance*. Homewood, IL 60430. Irvin (1818 Ridge Rd.). 1989. 267 pp. \$47.50.

Published for the Pension Research Council, this book traces the history of the Pension Benefit Guaranty Corporation (PBGC), as well as efforts by its staff and Congress to control its problems. The book begins with the author's hypothesis that when Congress intended to create a bona fide pension insurance firm, it chose a simple policy and an arbitrary price out of sheer unavailability of good information. This resulted in catastrophic deficits amounting to \$4 billion as of 1986. Topics discussed include: the development of the pension insurance contract and the market for voluntary insurance; the policy that has been in effect and consequent claims experience; various insurance principles put in place through either regulation, litigation or new legislation; series of PBGC studies to update estimates of its exposure and to recalculate its premium requirements; the insufficiency of these efforts to stop the flow of claims into the PBGC; the funding proposals developed by the PBGC and sent to Congress in 1987, the provisions of the legislation ultimately enacted in the form of the Pension Protection Act of 1987; the resource cost of these reforms compared to alternatives; and a proposal for an entirely new, insurance system operated by the private sector, subject to government regulation.

Organized labor at the crossroads. Edited by Wei-Chiao Huang. Kalamazoo, MI 49007. W. E. Upjohn Institute for Employment Research (300 South Westnedge Ave.). 1989. 162 pp. \$16.95, cloth; \$9.95, paper.

This book features six papers presented during the 1987-88 Economics Lecture Series at Western Michigan University. The collection begins with Sharon Smith's case study of collective bargaining between AT&T and the representing unions from 1984 to 1986. Kochan and Cutcher-Gershenfeld

follow with an essay on innovations and alternative directions being pursued by American industrial relations such as union participation in strategic management decisions. George Johnson examines organized labor's political agenda with respect to domestic labor market issues; international trade policy; monetary and fiscal policy; and policy related to women in the labor market. Martin Weitzman, a proponent of profit sharing, offers a non-technical argument about the overall advantage of tying some part of workers' pay to the performance of the firm. Richard Freeman reviews the changing patterns of unionism in developed Western countries and speculates about changes in union status in Communist economies. Orley Ashenfelter reports on the results of recent quantitative analyses of interest arbitration systems for settling wage disputes operating in the U.S. public sector.

Rethinking employment policy. Edited by D. Lee Bawden and Felicity Skidmore. Washington, DC 20037. The Urban Institute Press (2100 M Street, N.W.). 1989. 267 pp. \$28.75, cloth; \$14.75, paper.

It is suggested that the inevitability of the business cycle will find the nation once again grappling with the problem of reduced consumer demand and rising unemployment. This collection of essays attempts to rethink both the goals of employment policy and means of achieving those goals in the future. The first chapter identifies the major employment problems and proposes four major objectives of employment policy. Chapters 2-5 focus on the efficacy of specific ways to reduce unemployment. The next two chapters address employment policy related to workers' rights and equal opportunity in employment. These are followed by two chapters dealing with the internationalization of the U.S. economy and its implications for labor market policy in the United States. The final chapter presents the political and moral argument that a full employment policy is more an issue of political will than of economic means. It outlines a four-part proposal for the implementation of a full employment policy that would be more than just a political gesture.

Scully, Gerald W. *The business of major league baseball.* Chicago, IL 60637. University of Chicago Press (5801 South Ellis Ave.). 1989. 212 pp. \$24.95.

Scully attempts to analyze major league baseball from an economic perspective. He describes major league baseball as a self-regulating cartel. He discusses the anti-trust exemption which allows baseball, unlike any other business, to engage in collusive practices. Scully discusses the rules that the cartel has imposed upon itself, ostensibly to ensure competitiveness, and the effects of these rules on the level of play and on profits. Scully examines the economic relationships between owners, players, fans, and the media, with his claims supported by many statistical graphs and tables. He addresses the questions of whether the salary structure in baseball is economically justifiable, whether owners are really losing money, and whether the collusive rules regulating major league baseball have, in fact, fostered the intended competitiveness and profit.

Zack, Arnold M. *Grievance arbitration: issues on the merits in discipline, discharge, and contract interpretation.* Lexington, MA 02173. Lexington Book, D. C. Heath & Co. (125 Spring Street). 1989. 291 pp. \$44.95.

This handbook serves as a practical guide for anyone involved in grievance arbitration. It covers issues frequently encountered in contract administration, such as discipline and discharge, wages, benefits, working conditions, time off, restructuring of the workforce, and job seniority. Each subject has an accompanying text and is illustrated by a case that focuses on a single issue, its preparation and presentation and some of the variations in facts that should be anticipated. This is followed by questions for reflection and discussion. The problems are presented in a way that allows the three main participants—management, union, and neutral parties—to view a single fact situation and its ramifications from different perspectives. The book suggests how most arbitrators would respond to the various issues. The last chapter deals with the procedural aspects of arbitration, describing the hearing, the decision-making process, and the decision in order to optimize preparations for the hearing.