

SELECTED REFERENCES

INDUSTRIAL RELATIONS SECTION

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OUTSTANDING BOOKS IN INDUSTRIAL RELATIONS AND LABOR ECONOMICS, 1980-1989*

The black youth employment crisis. Edited by Richard B. Freeman and Harry J. Holzer. Chicago, IL 60628. University of Chicago Press (11030 S. Langley Ave.). 1986. 469 pp. (National Bureau of Economic Research Project Report). \$55.00.

This volume is a compilation of eleven papers on an important subject, unemployment among black youth, the group suffering the highest unemployment rate in the U.S. This book outlines some economic patterns and investigates both demand and supply effects. The papers cover a wide range of topics, touching on most of the issues which are generally analyzed for a particular labor market segment, such as job search, transition probabilities, turnover effects, demographic and socio-economic determinants, discrimination, and welfare effects. The appendix describes the ground-breaking micro data survey which was used for some of the econometric analysis in the papers. The overall effect of this collection is an understanding that black youths face a complex set of forces which determine their labor market experiences, and that no quick-fix solution exists which will solve their "employment crisis."

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

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

tightening labor market conditions. This provocative study has fueled spirited debate in both the popular and academic press.

Collective bargaining: contemporary American experience. Edited by Gerald G. Somers. Madison, WI 53706. Industrial Relations Research Association (7226 Social Science Building, University of Wisconsin). 1980. 588 pp. (Industrial Relations Research Association Series). \$20.00.

This unique volume is the joint effort of eleven authors—William H. Miernyk, D. Quinn Mills, Harold M. Levinson, Jack Stieber, James Kuhn, Karen S. Koziara, Mark L. Kahn, Richard U. Miller, J. Joseph Loewenberg, Robert E. Doherty, and Jack Barbash. Each of the chapters is a substantial monograph offering a detailed description and analysis of contemporary collective bargaining structure, procedure, and outcomes in one of ten major industries—coal, construction, trucking, steel, electrical products, agriculture, airlines, hospitals, U.S. postal service, and public education. The final chapter by Barbash summarizes the characteristics of American collective bargaining as it has evolved in practice and law, and then it examines the bargaining relationship in each of the ten industry cases reported on.

Freeman, Richard B. and James L. Medoff. *What do unions do?* New York, NY 10022. Basic Books, Inc. (10 E. 53rd St.). 1984. 292 pp. \$22.95.

According to Freeman and Medoff, U.S. trade unions can best be understood by recognizing that unions have two faces. One is the “monopoly” face which is associated with organized labor’s ability to push up wages and enforce restrictive work rules. The other face is labelled the collective voice/institutional response which is associated with unions serving as representatives and protectors of workers’ rights and interests. Drawing on a wide range of previously unavailable historical statistical series, longitudinal surveys, and their own prior research, the authors offer a quantitative analysis of the impact of union behavior on such elements as wages, wage inequalities, turnover, fringe benefits, productivity, profits and employee satisfaction. The authors conclude that the costs generated by the monopolistic impact of the unions are more than offset by the measurable benefits they produce through their representation function.

Handbook of labor economics. Edited by Orley C. Ashenfelter and Richard Layard. New York, NY 10017. Elsevier Science (52 Vanderbilt Ave.). 1986. 1273 pp. (Handbooks in economics, No. 5). \$139.00 set.

The *Handbook* brings together a systematic review of the research topics, empirical findings, and methods that comprise modern labor economics. Volume 1 is concerned with the classic topics of labor supply and demand, the size and nature of the elasticities between the two, and their impact in the wage structure. The papers in Volume 2 proceed from the common observation that the dissimilarity in worker skills and employer demands often tempers the outcomes that would be expected in frictionless labor markets. The last section deals explicitly with the role of institutional structures that now form an important part of modern labor economics.

Hoerr, John P. *And the wolf finally came: the decline of the American steel industry.* Pittsburgh, PA 15260. University of Pittsburgh Press (127 N. Bellefield Ave.). 1988. 689 pp. \$39.95, cloth; \$14.95, paper.

This volume is an important social and business history. Hoerr presents a well-analyzed, well-written, and well-documented chronicle of the collapse of the steel industry in the 1980s. Based on extensive interviews with steel-

workers, company managers, and union officials, Hoerr's account of recent events expands from the breakdown of the Experimental Negotiating Agreements in 1982 to the work stoppage at USX in 1986-87. He makes effective use of historical flashbacks and conversations with families who were part of the world of steel in Pittsburgh's Monongahela Valley. Hoerr discusses factors other than failures in labor relations or work organization that contributed to steel's decline. However, he argues that the obsolete and adversarial relationship between labor and management, fueled by years of distrust, rendered it impossible for the steel industry to adapt to changes in the global economy—an outcome with implications other industries might learn from. Hoerr argues that increased employee participation in workplace decision-making is a reform worth striving for.

Jacoby, Sanford M. *Employing bureaucracy: managers, unions, and the transformation of work in American industry, 1900-1945*. Irvington-on-Hudson, NY 10533. Columbia University Press (136 S. Broadway). 1985. 377 pp. \$37.50, cloth; \$14.50, paper.

Jacoby provides a perspective which integrates labor economics with economic history to explain the changes which occurred in the labor market during the first half of this century. He describes the work force as it was before 1910, the growth of trade unions, and the incorporation of personnel departments into the corporate hierarchy, and discusses how the new bureaucracy was able to cure the ills of the labor market by ensuring worker stability through the creation of internal labor markets.

Killingsworth, Mark R. *Labor supply*. Cambridge, England. Cambridge University Press (Order from 32 East 57th Street, New York, NY 10022). 1983. 493 pp. (Cambridge Surveys of Economic Literature). \$67.50, cloth; \$22.95, paper.

Killingsworth presents a comprehensive review of the growing economic literature on individual choice between working time and other activities. As the author points out, the concept of labor supply is at the center of recent policy discussions on tax and welfare reform. After summarizing traditional economic analysis of labor supply, and drawing together more recent contributions to this analysis, the author tabulates, compares and criticizes a vast array of empirical studies of the theory.

Kochan, Thomas A., Harry C. Katz and Robert B. McKersie. *The transformation of American industrial relations*. New York, NY 10022. Basic Books (10 E. 53rd St.). 1986. 287 pp. \$24.95, cloth; \$11.95, paper.

There has been a change in the industrial relations system in the U.S., and this book chronicles the transition from the old, New Deal-style of collective bargaining to the new system which has seen the rise of concession bargaining, work-rule changes, and worker representation in corporate decision-making. The authors have compiled substantial empirical evidence to support their model for the innovations taking place today. Because of the emphasis on transition, the authors compare most aspects of the present and past systems, focusing on the consequences of the decline in union influences. The book concludes by outlining possible strategic choices which workers, managers, and unions need to make in order to survive in the new era of economic pressure.

Lewis, H. Gregg. *Union relative wage effects: a survey*. Chicago, IL 60628. University of Chicago Press (11030 S. Langley Ave.). 1986. 277 pp. \$37.50.

This book is a painstaking survey of 200 empirical studies concerning the impact of labor unions on wages in the U.S. The survey provides both a

precise summary of what is known about union/non-union differentials, and a more general commentary on the evolution of data and methodology in applied economics. Lewis groups the studies by statistical techniques and type of data used, reviews the error and biases inherent in each grouping, and concludes that the mean wage gap is 15%. The author's comprehensive evaluations of selectivity-correction methods and the panel data problems will be invaluable tools for further research in empirical labor economics.

Raiffa, Howard. *The art and science of negotiation*. Cambridge, MA 02138. Harvard University Press (79 Garden St.). 1982. 370 pp. \$9.95, paper.

Raiffa believes that by acquiring a deeper understanding of what the negotiating process is, arbitrators and impartial mediators can be more effective in the settlement process and achieve better results from bargaining. In addition to stressing the negotiating process as a method of settling disputes, he outlines such alternatives as arbitration, voting, and a variety of mathematical techniques. His theories are further tested in an assortment of real and hypothetical dispute situations. Case examples taken from a diverse variety of bargaining situations, from selling a house or avoiding a labor strike to negotiating the withdrawal of the United States from the Panama Canal, are cited and discussed. This volume contributes to a better understanding of the negotiating process and dispute settlement.

Studies in labor markets. Edited by Sherwin Rosen. Chicago, IL 60637. University of Chicago Press (5801 Ellis Ave.). 1981. 395 pp. \$47.00.

Originally presented at a Universities-National Bureau Committee conference on labor markets in 1978, and not published elsewhere, the papers in this volume treat four interrelated themes: labor mobility, job turnover, and life-cycle dynamics; the analysis of unemployment compensation and employment policy; labor market discrimination; and labor market information and investment. The Introduction by Sherwin Rosen provides a guide to the contents of the papers and offers suggestions for continuing research. Among the eleven essays contributed are: "Labor mobility and wages" by Jacob Mincer and Boyan Jovanovic; "Heterogeneity and state dependence" by James J. Heckman; and "Black economic progress after 1964: who has gained and why" by Richard B. Freeman.

Weitzman, Martin L. *The share economy: conquering stagflation*. Cambridge, MA 02138. Harvard University Press (79 Garden St.). 1984. 167 pp. \$7.95, paper.

Martin Weitzman presents the share economy as a natural enemy of unemployment and inflation. He provides a unique microeconomic approach to dealing with some of the major problems facing the U.S. economy. Specifically, he argues that change in employee-compensation arrangements is required to assure that reasonable price stability is compatible with reasonably full employment. Employees should be paid based on some index of the performance or well-being of their firm. He believes that they should share in the successes or failures of the firm in terms of their compensation more than is the present case. "The lasting solution to stagflation," Weitzman explains, "requires going inside the working of a modern capitalist economy and correcting the underlying structural flaw directly at the level of the individual firm by changing the nature of labor remuneration."