

SELECTED REFERENCES

INDUSTRIAL RELATIONS SECTION

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NOTEWORTHY BOOKS IN INDUSTRIAL RELATIONS AND LABOR ECONOMICS, 1990*

The Industrial Relations Section is pleased to announce that this year's winner of the Richard A. Lester Award is Claudia D. Goldin for *Understanding the gender gap: an economic history of American women*.

Bloom, Howard S. *Back to work: testing reemployment services for displaced workers*. Kalamazoo, MI 49007. W.E. Upjohn Institute for Employment Research (300 S. Westnedge Ave.). 1990. 180pp. \$25.00, cloth; \$15.00, paper.

This book documents the results of TWAD (Texas Worker Adjustment Demonstration), a large, rigorous, randomized evaluation of the design, implementation, impacts, and costs of displaced worker programs created by Title III of the Job Training Partnership Act. The project demonstrated that the combination of short-term (job-search assistance) and long-term (occupational skills training) strategies can provide cost-effective assistance for *some* displaced workers. The impact on earnings of female workers was substantially greater and longer-lived than for men. At the two sites where costs were most comparable to the national average, the earnings for women exceeded program costs, whereas for men, earnings were slightly less.

Borjas, George J. *Friends or strangers: the impact of immigrants on the U.S. economy*. Dunmore, PA 18512. HarperCollins Publishers (P.O. Box 588). 1990. 274pp. \$22.95.

Using recently available data sets, the author recasts immigration in the model of the marketplace. He views immigrants as those qualified persons who respond to the specific set of economic opportunities the United States offers and who willingly incur the costs of resettlement. Borjas concludes that the United States is losing the international competition for skilled workers to other countries, and that while the relatively unskilled laborers the United States *does* attract have little impact on the earnings and employment opportunities of natives, they increase the burden on the country's welfare system and lower its income and tax revenues. To provide a mix of more skilled immigrants, Borjas proposes instituting a point system that would grade immigrant visas on the basis of both observable skills and humanitarian considerations.

Brown, Charles, James Hamilton, and James Medoff. *Employers large and small*. Cambridge, MA 02138. Harvard University Press (79 Garden St.). 1990. 109pp. \$19.95.

The authors challenge many popular beliefs about the behavior of small and large firms. Dismissing the assumption that small firms are necessarily more dynamic and flexible than large employers, they assert that the ability of small employers to generate new jobs is primarily a reflection of the rapid growth of those industries most typically engaged in by small firms. Moreover, large firms offer their employees a better overall package of working conditions and compensation. The authors see small businesses as prime targets for union organizing, since their employees are less likely to be

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

unionized and receive lower wages and fewer benefits than those working for large firms. Small businesses also have considerable political influence; their PAC contributions are as large as those of labor unions and almost two-thirds those of big business.

A Future of lousy jobs?: the changing structure of U.S. wages. Edited by Gary Burtless. Washington, DC 20055. The Brookings Institution (P.O. Box 270; Attn.: Publications Dept.). 1990. 242pp. \$29.95, cloth; \$10.95, paper.

This collection of conference papers examines the distribution of jobs in the United States, whether the record growth in employment in the past two decades is concentrated primarily in poorly paid jobs, and the major economic causes of this shift in American wage structure. The issues discussed include: the causes of the deterioration of earnings and job opportunities among less skilled men; the rise of part-time employment; the impact of the business cycle and demographic change on earnings inequality; the impact of the baby boom and bust on the demand for highly educated workers; and the effect of the welfare state on the growth of low-wage jobs. The authors conclude that the proportion of middle-class jobs has declined, and that wage inequality affects, in particular, young men and men with little formal education. The long-range solution requires that the skills of workers at the bottom of the wage structure be upgraded.

Goldin, Claudia Dale. *Understanding the gender gap: an economic history of American women.* Cary, NC 27513. Oxford University Press (2001 Evans Rd.). 1990. 287pp. (NBER series on long-term factors in economic development). \$29.95.

In this important study of the female labor force in the United States, Goldin uses quantitative history methods and new data series to argue that both the advances in the economic position of American women and the ongoing gender distinction in the workplace are the result of long-standing societal trends rather than a recent social transformation. Topics discussed include: the male-female wage gap; occupational segregation by sex; the emergence of "wage discrimination"; and the experience of married women in the labor force. The author's findings include: labor force participation of married, adult women declined before its noted rise over the last half-century; work experience among working women has been substantial since the beginning of the 20th century, but work experience among married women did not advance significantly over the last half-century; and the gap in earnings between men and women was not as constant in the past as it was from the 1950s to the early 1980s. The same changes that brought advancement for women in some areas, established barriers in others. For example, the rise of the white-collar sector increased women's labor force participation, but also saw the establishment of marriage bars and other policies that segregated men and women in certain jobs.

Jennings, Kenneth M. *Balls and strikes: the money game in professional baseball.* Westport, CT 06881. Greenwood Publishing Group (88 Post Rd., W., P.O. Box 5007). 1990. 273pp. \$24.95.

Drawing on a broad range of sources, this study recounts the history of unionism and collective bargaining in professional baseball from the late 19th century to the present day. Jennings traces the formation and development of the modern-day players union, the Major League Baseball Players Association (MLBPA), and the key role played by its president Marvin Miller. Focusing on the past twenty-five years of the sport's dynamic manager-player relationships, he analyzes the main issues fueling the business's lively contract negotiations and labor controversies, such as the challenges to the reserve rule in the 1970s, the adoption of final-offer salary arbitration, and free agent experiences. Interesting commentary and anecdotes reveal the colorful participants in the process, including owners, agents, the media, managers, and the players themselves. The major issues discussed include: player mobility and salary arbitration; drug and alcohol abuse; racial discrimination; and the relationship between pay and performance.

Killingsworth, Mark R. *The economics of comparable worth*. Kalamazoo, MI 49007. W.E. Upjohn Institute for Employment Research (300 S. Westnedge Ave.). 1990. 306pp. \$25.00, cloth; \$15.00, paper.

This comprehensive book attempts to correct two failings in the public debate on pay equity: 1) to define clearly terms and concepts and 2) to analyze the actual or potential effects of comparable worth policies, by using economic models of alternative labor market settings and by performing empirical studies of the effects of current comparable worth measures. While Killingsworth agrees that there is evidence of serious sex discrimination by employers in wage payments, he states that comparable worth is not the correct solution for the following reasons: the basic premise that jobs of comparable worth would receive the same wage in the absence of discrimination is false; raising the wages of predominantly female occupations will raise the cost of employment and therefore reduce employment in these jobs; in instances in which comparable worth has been implemented, it has done less good than its proponents claimed. The alternatives the author promotes are equal employment opportunity and the use of antitrust laws to attack the deliberate underpayment of predominantly female jobs.

Margo, Robert A. *Race and schooling in the South, 1880-1950: an economic history*. Chicago, IL 60637. The University of Chicago Press (5801 South Ellis Ave.). 1990. 164pp. (NBER series on long-term factors in economic development). \$24.95.

This econometric history uses newly available census data and school district records to explore the interrelation among race, education and labor market opportunities of African-Americans. To interpret the long-term trends in racial income differences, the author suggests that a synthesis is needed of the supply-side, "human capital" model that argues that once the racial differences in schooling narrowed, the relative status of black Americans improved, and the demand-side, "institutionalist" model, that states that it took the shocks to the American economy of two world wars and the Civil Rights Movement to increase the nonfarm demand for black labor and improve the economic status of blacks. In addition, he identifies the "inter-generational drag" of the pre-World War II poverty and illiteracy of black parents as factors that limited the educational opportunities of black children.

Paying for productivity: a look at the evidence. Edited by Alan S. Blinder. Washington, DC 20055. The Brookings Institution (P.O. Box 270; Attn: Publications Dept.). 1990. 308pp. \$29.95, cloth; \$11.95, paper.

The essays in this volume assess the efficacy of alternate compensation plans in raising productivity. Those reviewed include: employee participation in decision-making; profit sharing and other pay for group performance; employee stock ownership plans (ESOPs) in the United States; and worker ownership in Europe. Of these, profit sharing is shown to best increase productivity. However, worker participation enhances all alternative compensation plans such as profit sharing, gain sharing, and ESOPs, leading to the conclusion that the way workers are treated may raise productivity more than changing the way they are paid.

Pissarides, Christopher A. *Equilibrium unemployment theory*. Colchester, VT 05446. Basil Blackwell (64 Depot Rd.). 1990. 173pp. \$55.95.

The author presents an equilibrium, macroeconomic theory of unemployment that models the transition out of unemployment as a trading process for the labor services of unemployed workers and firms with job vacancies. Included is an elegant summary of the friction theory of unemployment associated with the work of Mortensen, Diamond, and the author. In Part I, the balanced growth model is developed, explaining the existence of a constant unemployment rate and constant vacancy rate in a growing economy. In Part II, the model is extended by worker-generated search intensity and job-specific variations in productivities—and the subsequent possibility

of job rejection—to give a bigger role to the supply of labor. Part III examines the efficiency of the equilibrium of the labor market.

Quinn, Joseph F., Richard V. Burkhauser, and Daniel A. Myers. *Passing the torch: the influence of economic incentives on work and retirement*. Kalamazoo, MI 49007. W.E. Upjohn Institute for Employment Research (300 S. Westnedge Ave.). 1990. 269pp. \$25.00, cloth; \$15.00, paper.

This book discusses recent economic research on individual retirement decisions and aggregate retirement trends. The financial incentives of Social Security and employer pension plans, currently structured to encourage early retirement, influence work decisions throughout an individual's life and must be taken into consideration when dealing with the labor shortage predicted for the early 21st century. The authors also analyze actual exit patterns of older Americans from their career jobs, which are increasingly varied: self-employment, part-time work, a full-time second career, or full withdrawal from the workforce. The question the authors raise that remains to be answered is whether firms facing future labor shortage crisis will take the initiative to increase incentives for workers so that they might withdraw more gradually from the workforce or whether a more active government role will be necessary.

Solow, Robert M. *The labor market as a social institution*. Colchester, VT 05446. Basil Blackwell (64 Depot Rd.). 1990. 116pp. \$19.95.

In this volume based on the 1989 Royer Lectures delivered at the University of California at Berkeley, the Nobel Laureate economist presents an analysis of the labor market as a social institution, with important social norms and constraints, such as “unfair” wage competition, that help to explain the inflexibility of wages and the persistence of high unemployment. Solow emphasizes the need to recognize, analytically, that wage rates affect the quality and intensity of work, and, therefore, the productivity of labor.

Unemployment insurance: the second half-century. Edited by W. Lee Hansen and James F. Byers. Madison, WI 53715. The University of Wisconsin Press (114 North Murray St.). 1990. 485pp. (La Follette public policy series). \$40.00, cloth; \$22.50, paper.

This volume is based on the papers presented at a conference that brought together scholars, state and federal officials, and state political leaders to examine the size and scope of the unemployment insurance (UI) program. The problem the states faced was the result of higher unemployment rates combined with the failure to ensure a sound fiscal basis for UI programs. Under pressure from the federal government, states cut back benefits and raised UI taxes but found that it was complicated to restructure the system as a whole. The phenomena explored include: the higher unemployment rates of the late 1970s and early 1980s; the breakdown in the effectiveness of programs as total benefit payments exceeded employer taxes that financed them; proposals to use UI and its trust funds to help underwrite costs of training the unemployed and to make UI benefits available to people working less than full-time; the Wisconsin experience in restructuring its UI program.

Weiler, Paul C. *Governing the workplace: the future of labor and employment law*. Cambridge, MA 02138. Harvard University Press (79 Garden St.). 1990. 317pp. \$29.95.

Legal regulation and human resource programs have evolved to fill the gap created by the decline of collective bargaining as an instrument to protect employees' interests. Weiler shows this to be the case with several workplace problems, such as those involving wrongful dismissal, occupational safety, pay equity, and pension security. He sees the need for a worker organization comprised of a loose confederation of units oriented chiefly toward the individual firm and its employees. He also argues for the establishment of a new basic employment right guaranteeing employee representation and participation in the workplace on a par with a firm's shareholders.