

SELECTED REFERENCES

INDUSTRIAL RELATIONS SECTION

PRINCETON UNIVERSITY

No. 286

Princeton, NJ 08544

April 1998

NOTEWORTHY BOOKS IN INDUSTRIAL RELATIONS AND LABOR ECONOMICS, 1997.*

The Industrial Relations Section is pleased to announce that this year's winner of the Richard A. Lester Award is Rebecca M. Blank for *It takes a nation: a new agenda for fighting poverty*.

Barron, John M., Mark C. Berger, and Dan A. Black. *On-the-job training*. Kalamazoo, MI 49007-4686. W.E. Upjohn Institute for Employment Research (300 S. Westnedge Ave.). 1997. 207 pp. \$25.00, cloth; \$15.00, paper.

Using a matched survey comparing the responses of employers with the responses of workers receiving training and with EOPP, SBA and Upjohn Institute data sets, the authors find that a substantial amount of on-the-job training takes place at the beginning of a job, that most of this training is informal, and that participation depends on variables such as an individual's level of education and experience. Other findings indicate: 1) College-educated workers and workers employed in large establishments receive more training than others; 2) Training generates productivity growth, defined by rating new employees against experienced workers; 3) On-the-job training increases wage growth. Their recommendations for government involvement in training include targeting the least-educated population and insuring that the economically disadvantaged are employed, by implementing policies such as earned income tax credit and wage subsidies or tax credits.

Blank, Rebecca M. *It takes a nation: a new agenda for fighting poverty*. Philadelphia, PA 19182. Princeton University Press. Russell Sage Foundation (California Princeton Fulfillment Services, P.O.Box 7780-4721). 1997. 340 pp. \$29.95, cloth; \$17.95, paper.

Presenting facts gleaned from thirty years of social science research and program evaluation, the author examines why poverty in the United States has been so persistent and how effective poverty-related policies can be created. Overall economic growth during the past twenty years has failed to solve the problem of poverty, since wage rates for jobs created for less-skilled workers have not been high enough for the working poor to escape poverty. Blank describes the successes and failures of the major public assistance programs in the past twenty years and their recent changes. She emphasizes that many of the programs achieved the goals for which they were designed, i.e. to create a social safety net rather than to remove people from poverty. She discusses why the government must be involved in antipoverty efforts. Her pragmatic proposals for revisions of the system envision programs that balance work incentives with adequate income support, targeted programs with those for general support, the appropriate contributions at different government levels, and contributions from the public and private sectors.

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

Brown, Clair, Yoshifumi Nakata, Michael Reich, and Lloyd Ulman. *Work and pay in the United States and Japan*. Cary, NC 27513. Oxford University Press (2001 Evans Rd.). 1997. 234 pp. \$35.00.

This book analyzes how large Japanese and American companies manage their employment systems and how these systems interrelate with labor market institutions and national economic performance. The authors investigate how the Japanese and American employment systems work in their own institutional environments. They show how the relative costs and benefits of employment security and compensation systems vary with the stability and strength of the national economy, and demonstrate that neither firm employment systems nor national economic institutions determine overall economic performance.

Budrys, Grace. *When doctors join unions*. Ithaca, NY 14851. Cornell University Press (CUP Services, P.O.Box 6525). 1997. 177 pp. \$35.00, cloth; \$14.95, paper.

This book documents the origins and development of the Union of American Physicians and Dentists (UAPD), which came into being during a time of declining overall union membership. It illustrates a new type of union suited to representing workers in the postindustrial era. Budrys addresses the questions: Why do doctors need a union? What are the objections to physicians' unions? Why has the UAPD, which has been in existence for over twenty years, been able to survive, while other physicians' unions failed? She concludes by stating the broader implications of the case for other occupational groups that could benefit from new or revised representation.

Edin, Kathryn and Laura Lein. *Making ends meet: how single mothers survive welfare and low-wage work*. Ithaca, NY 14851. Russell Sage Foundation (CUP Services, P.O.Box 6525). 1997. 305 pp. \$42.50, cloth; \$19.95, paper.

The authors focus on unskilled single mothers and their children who have traditionally had the highest poverty rate in America and who will likely face increasing hardships under the new welfare receipt limits. They conducted in-depth interviews with 379 single mothers living in Boston, Charleston, Chicago, and San Antonio. To meet monthly expenses, which are often six times their official incomes, these women supplement their incomes by combining off-the-books employment and money from relatives, friends and the fathers of their children—money that they do not report to the welfare department. The authors recommend that substantial wage supplements or high-quality training with affordable and reliable child and health care are essential in order for the current population of unskilled and semiskilled women to attain self-sufficiency through work and for their children to be protected from harmful influences that lead to delinquency, dropout, pregnancy, and incarceration.

Gender and family issues in the workplace. Edited by Francine D. Blau and Ronald G. Ehrenberg. Ithaca, NY 14851. Russell Sage Foundation (CUP Services, P.O.Box 6525). 1997. 301 pp. \$42.50.

The papers in this volume, based on a conference held at Cornell University's New York School of Industrial and Labor Relations, examine the factors that have hindered women's progress in the labor market and present possible solutions.

Ippolito, Richard A. *Pension plans and employee performance: evidence, analysis, and policy*. Chicago, IL 60628. University of Chicago Press (11030 S. Langley Ave.). 1997. 259 pp. \$34.95.

The main focus of this book is the role of pensions in enhancing productivity. In part 1 Ippolito examines the traditional view that pensions help employers reduce quit rates at early ages and increase retirement rates at later ages. In part 2 he considers the view that pensions sort workers based on characteristics desirable to the firm. He recommends government policy that facilitates savings decisions

among those inclined to save for retirement and gives firms maximum flexibility in using these plans to increase productivity.

Jacoby, Sanford M. *Modern manors: welfare capitalism since the New Deal*. Philadelphia, PA 19182. Princeton University Press (California Princeton Fulfillment Services, P.O.Box 7780-4721). 1997. 345 pp. \$35.00.

Jacoby studies the attempts of three companies—Kodak, Sears Roebuck, and Thompson Products—to modernize welfare capitalism. Welfare capitalism began in the nineteenth century when corporations, rather than the government or trade unions, offered workers security and stability through their benefits and employment policies. Though this system largely faded during the Great Depression, when companies cut wages, laid off large numbers of workers, and discontinued most of their welfare programs, it survived and was transformed in certain firms. Jacoby shows how the change in the American economy from manufacturing to service-dominated industries, the increasingly educated work force, and the decline of organized labor in the 1960s and 1970s helped spread the idea and transform modern welfare capitalism into the current nonunion workplace.

Labor markets in Latin America: combining social protection with market flexibility. Edited by Sebastian Edwards and Nora Claudia Lustig. Washington, DC 20042-0029. Brookings Institution Press (Dept. 029). 1997. 334 pp. \$49.95, cloth; \$19.95, paper.

This book attempts to fill the empirical gap in the debate on the relationship between labor market regulations and performance in Latin America. While Latin American governments have implemented economic reforms in almost every sector, they continue to rely on labor legislation that is decades old. Part 1 examines the relationship between labor market institutions and economic performance in general and as applied to Latin America with discussions of unions and collective bargaining arrangements, minimum wages and poverty, and unemployment insurance schemes. Part 2 gives an overview of current labor market regulations and the status of labor reform in the region as a whole, with more in-depth analyses of the situations in Argentina, Brazil, Chile, Colombia, and Mexico.

Masters, Marick Francis. *Unions at the crossroads: strategic membership, financial, and political perspectives*. Westport, CT 06881. Quorum Books (Greenwood Publishing Group, 88 Post Road West, P.O.Box 5007). 1997. 230 pp. \$65.00.

Masters challenges the popular perception of unions being in serious decline. This notion is based on research that focuses almost exclusively on membership trends, bargaining impacts, and strikes, rather than on the broad condition of unions as institutions. To broaden the assessment of the institutional health of the twenty-eight national unions, the author examines these unions' membership, financial, and political resources during 1979–1993, both on the aggregate and disaggregate levels. He concludes by suggesting an array of strategies unions might pursue to achieve growth and recommends actions for renewal.

Milkman, Ruth. *Farewell to the factory: auto workers in the late twentieth century*. Philadelphia, PA 19182-4721. University of California Press (California Princeton Fulfillment Services, P.O.Box 7780-4721). 1997. 234 pp. \$45.00, cloth; \$14.95, paper.

Milkman looks at the recent experiences of workers from the General Motors (GM) automobile assembly plant in Linden, New Jersey. In the 1980s GM introduced lean production to the Linden plant with robots and other new technologies, reorganization of the work process, and a shift to small car production. When the changes generated sharp employment cutbacks, GM negotiated with the United Auto Workers to establish a buyout program, offering cash payments to workers who agreed to give up their jobs. Milkman describes the experiences of workers

under both the traditional and lean systems, including a chapter on workers who opted for the buyout offer. She blames the failure of the "new Linden" on managers who maintained pressure on frontline supervisors for high production rather than emphasizing the firm's commitment to teamwork and participatory problem solving.

The new Americans: economic, demographic, and fiscal effects of immigration. Edited by James P. Smith and Barry Edmonston. Washington, DC 20055. National Academy Press (2101 Constitution Ave. NW, Box 285). 1997. 434 pp. \$49.95.

This report summarizes the work of the National Research Council panel, established at the request of the bipartisan Congressional Commission on Immigration Reform, to assess the demographic, economic, and fiscal consequences of immigration. The panel's demographic model projects that the U.S. population in 2050 will have increased by 124 million people, with immigration accounting for two-thirds of the increase. Both the absolute and relative sizes of the Asian-ancestry and Hispanic-ancestry populations will grow rapidly. Using a basic economic model, the report shows that immigration produces net economic gains for domestic residents, since immigrants increase the supply of labor and help produce new goods and services, while being paid less than the total value of that production. The long-term fiscal impact (taxes and government spending) of immigrants depends on their age at arrival and their education. The impact is strongly positive at the federal level, but negative at the state and local levels, concentrated in a few states and localities, such as California.

Phelps, Edmund S. *Rewarding work: how to restore participation and self-support to free enterprise.* Cambridge, MA 02138. Harvard University Press (79 Garden St.). 1997. 198 pp. \$24.95.

Phelps argues that low-wage employment subsidies have a positive effect on both wage rates and unemployment. He advocates maintaining tax credits to private enterprises for their continuing employment of low-wage workers. The subsidies induce firms to hire more low-wage workers, pulling their employment up. Wages rise as firms try to restore employee incentives until they match the increased wage firms can afford to pay because of the subsidies. The subsidies would offset some of the cost of training unskilled workers for more skilled work. Increased tax revenues and lower welfare costs would offset the cost of the subsidies and would bring about the social benefits of decreased drug abuse and lower rates of illiteracy and crime.

Transition and structural change in the North American labour market. Edited by Michael G. Abbott, Charles M. Beach and Richard P. Chaykowski. Kingston, Ontario K7L 3N6 Canada. IRC Press (Industrial Relations Centre, Policy Studies Bldg., Queen's University). 1997. 356 pp. \$49.95, Canadian.

The papers in this volume examine various aspects of labor markets, primarily in Canada.

Western, Bruce. *Between class and market: postwar unionization in the capitalist democracies.* Philadelphia, PA 19182. Princeton University Press (California Princeton Fulfillment Services, P.O.Box 7780-4721). 1997. 230 pp. \$45.00.

This book examines the growth and decline of trade union organization in eighteen postwar capitalist democracies from 1950 to 1990. Western argues that labor movements grow where they are institutionally insulated from the market flows that drive up competition among workers. In a look to the future, the author suggests that alternative sources of union power may be found in local institutions, such as work councils.