

# SELECTED REFERENCES

INDUSTRIAL RELATIONS SECTION

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## NOTEWORTHY BOOKS IN INDUSTRIAL RELATIONS AND LABOR ECONOMICS, 2008\*

The Industrial Relations Section is pleased to announce that this year's winners of the Richard A. Lester Award are Claudia Goldin and Lawrence F. Katz for *The race between education and technology*.

Andrews, Thomas G. *Killing for coal: America's deadliest labor war*. Cambridge, Mass.: Harvard University Press, 2008. 386pp. \$29.95, cloth. ISBN: 978-0-674-03101-2

In his analysis of the "vast and tangled web of events" (p.9) that led up to the 1914 Ludlow shootings and the ten days of battle that followed, Andrews integrates labor and ecological history to highlight the impact of coal mining on southern Colorado's residents, who were economically dependent on its mineral wealth. While cultural conflicts occurred among the miners, who represented every race and came from every part of the world, the highly dangerous occupation forged a unity that resulted in periodic strikes and other work actions. Despite paternalistic efforts on the part of the coal companies, miners continued making demands for an 8-hour day, better ventilation, fair weights and tonnage rates, and nondiscrimination against union members. Companies resorted to "enlisting detectives and the state militia to do their dirty work." (p. 242) The ensuing conflict finally subsided when President Wilson sent federal troops to the area, but the demand for coal, and therefore coal mining, had already begun to decline.

Donahue, John D. *The warping of government work*. Cambridge, Mass.: Harvard University Press, 2008. 213pp. \$35.00. ISBN: 978-0-674-02788-6

Donahue explains how the regulation of government jobs maintained salaries and benefits at middle-class levels, while, since the mid-1970s, the opportunities for significantly greater rewards increased in the private sector. This led to the well-recognized income gap between the two sectors as well as between the two extremes of the private sector. He notes that while relatively lower pay is a major difficulty in attracting talented and ambitious individuals to high-end government positions, perceptions of excessive bureaucracy, the decline of trust in government, growing partisanship, and the lack of the excitement found in the business world are also factors. Donahue suggests encouraging career patterns that would include a period of public service rather than making government jobs life-time careers.

\*International Standard Book Numbers (ISBN) are given for each title to facilitate ordering from vendors or other purchasing outlets.

*A future of good jobs?: America's challenge in the global economy.* Edited by Timothy J. Bartik and Susan N. Houseman. Kalamazoo, Mich.: W.E. Upjohn Institute for Employment Research, 2008. 327 pp. \$40.00, cloth; \$20.00, paper. ISBN: 978-0-88099-332-6

The contributions to this volume, based on a conference held in June 2007, before the current economic crisis, focus on rapid globalization and technological change as the major forces behind the increase in wage inequality in the United States. Recommendations to address resulting policy challenges (improving workers' skills, employer-sponsored health care, older workers, job quality for low-wage workers, etc.) include: 1) developing education curricula tied more closely to workplace needs, 2) expanding high school vocational training, 3) reforming health insurance financing, 4) improving labor standards with "continued increases in the minimum wage, protection for unions and other forms of work organization, and tax incentives that promote the development of good jobs," (p. 11), 5) expanding the Earned Income Tax Credit, and 6) reducing employment barriers for former convicts.

Ghilarducci, Teresa. *When I'm sixty-four: the plot against pensions and the plan to save them.* Princeton: Princeton University Press, 2008. 374pp. \$29.95, cloth. ISBN: 978-0-691-11431-6

Ghilarducci states that the failure of the United States retirement system lies with pensions and savings, not with the Social Security system, which was never intended to supply complete retirement income. Among the problems with the widely used defined contribution (DC) plans are: high administrative costs, investment mistakes, pre-retirement withdrawal of income, and their unavailability to middle- and low-income workers. Her proposed solution is to couple Social Security with Guaranteed Retirement Accounts (GRA), similar to systems in Sweden, Latvia, and Italy. Contributions of 5% of would be deducted from workers' earnings, and would carry a \$600 refundable tax credit. The benefits of GRA's include: 1) increasing retirement savings by shifting funds from taxable to tax-favored accounts, 2) providing professional, low-fee fund management, 3) allowing withdrawals only in old age, 4) requiring a minimum 5% contribution, if not already participating in a defined benefit program, and 5) providing guaranteed rate of return, with financial risks borne by the government.

Goldin, Claudia and Lawrence F. Katz. *The race between education and technology.* Cambridge, Mass.: Belknap Press of Harvard University Press, 2008. 488pp. \$39.95, cloth; \$19.95, paper. ISBN: 978-0-674-02867-8.

The authors examine the reasons for America's decline as world leader in education from the 1950s to the present and the simultaneous growth in the gap between rich and poor. While rapid technological changes occurred in all wealthy countries, most also saw advances in education as opposed to the slowdown in the United States. By the end of the 20th century, more citizens in OECD countries were prepared to meet the new workplace technology expectations. The income gap in both the United States and the United Kingdom was reinforced by the decline of unions and other labor market institutions that protected middle- and lower-income workers. To address America's education problems the authors propose: 1) providing greater access to quality pre-school education for children from disadvantaged families, 2) improving the quality of primary and secondary education to prepare more students for college, and 3) facilitating adequate financial aid for post-secondary training. To deal with economic inequalities more immediately, Goldin and Katz recommend a modest increase in tax rates for the wealthiest Americans to underwrite payroll tax relief for lower-wage workers, a more generous earned income tax credit, and better health care access.

Kenworthy, Lane. *Jobs with equality*. Oxford ; New York: Oxford University Press, 2008. 369pp. \$100.00, cloth; \$29.95, paper. ISBN: 978-0-19-955059-3

In Kenworth's analysis of data from twelve wealthy democratic capitalist countries, he finds that redistribution of income has been the key to successfully limiting inequality. The author tailors his ideas for reform according to the countries' employment rate and level, their policies and institutions, and their citizens' preferences regarding equality and employment. For Anglo countries, of which the United States is one, the proposals include: 1) increasing the minimum wage, some government benefits, and tax rates, 2) supporting high-quality childcare and preschool, and 3) instituting "active labor market programs." (p. 279) For the continental and Nordic countries, he recommends 1) softening employment protection regulations, 2) shifting tax revenues away from payroll and consumption taxes, 3) reducing lengthy maternity/home care leaves, 4) allowing wages to fall slightly at the lower-income jobs, and 5) tightening eligibility for some benefits.

*Laid off, laid low: political and economic consequences of employment insecurity.*

Edited by Katherine S. Newman. New York: Columbia University Press, 2008.

124pp. \$45.00, cloth; \$15.00, paper. ISBN: 978-0-231-14604-3

Five essays address the impact of employment instability on the American worker. Analyzing Current Population Survey data from 1973 to 2006, Henry Farber demonstrates that long-term employment is far less common now than it was twenty years ago and that workers are more likely to change jobs later in life. Using data from three different surveys covering 1969 to 2004, Ann Stevens concludes that while long-tenure jobs are on the decline, affecting younger workers, for the labor force as a whole the average job length is 22 years. Other findings in the book include: 1) the impact of greater job insecurity falls disproportionately on younger, less-educated men; 2) lower-income, less-educated workers show a greater concern about economic security than their wealthier, more-educated counterparts; and 3) there is less acceptance of increased income inequality and greater acceptance of having the government participate in redistributing income from high- to low-earners.

Munnell, Alicia Haydock and Stephen A. Sass. *Working longer: the solution to the retirement income challenge*. Washington, D.C.: Brookings Institution Press, 2008. 207pp. \$29.95, cloth; \$19.95, paper. ISBN: 978-0-8157-5898-3

Munnell and Sass advocate that people continue in their careers for two to four years longer than planned in order to ensure a more comfortable retirement income. The authors calculate that an employee in 2030 will have to work until 67 years of age to receive the same income replacement rate as those retiring today at 65. They argue that by remaining in the labor force for a few additional years, people will: 1) increase their current income, 2) "avoid actuarial reduction in Social Security benefits" (p.2), 3) increase contributions to their 401(k) plans, and 4) allow the value of their retirement plans to grow. The change in retirement age requires the cooperation of workers, employers and government. Workers need to prepare to work longer by keeping their skill sets up-to-date. The rising percentage of older workers in the workforce would require, and Munnell and Sass believe induce, employers to change "production and personnel management systems." (p. 140) Finally, the government would need to raise the earliest eligibility age for Social Security.

Pager, Devah. *Marked: race, crime, and finding work in an era of mass incarceration*. Chicago: University of Chicago Press, 2007. 248pp. \$25.00, cloth. ISBN: 978-0-226-64483-7

Using matched pairs of black and white testers to apply for entry-level jobs in the Milwaukee metropolitan area, presenting identical qualifications except for the

presence of criminal records, Pager was able to provide a direct measure of the impact of race and incarceration or felony convictions on employment opportunities. Not only did white job applicants with criminal records have greater success in getting hired than black applicants with similar backgrounds, they did better than black non-offenders. The supplemental telephone survey of employers confirmed that employers are reluctant to hire ex-offenders, even when they have more education and more stable work histories than other applicants. Incarceration adds one more disadvantage for blacks for whom “everyday achievements take longer, require more effort, and impose greater financial and psychic costs.” (p. 149)

*Path to prosperity: Hamilton Project ideas on income security, education, and taxes.* Edited by Jason Furman and Jason E. Bordoff. Washington, D.C.: Brookings Institution Press, 2008. 402pp. \$59.95, cloth. \$24.95, paper. ISBN: 978-0-8157-3012-5

The Hamilton Project brings together academics, policy analysts and financial experts to create policy options for promoting economic growth and security for all Americans. This book, the first published volume from the project, includes policy proposals to improve the education system, provide greater income security, and reform and simplify the tax code. Molly McIntosh and Alan Krueger point to the skills gap between high- and low-socioeconomic level students that emerges during the summer and propose scholarships for summer enrichment programs for disadvantaged students in kindergarten through fifth grade. In a chapter dealing with income security, William Gale, Jonathan Gruber and Peter Orzag suggest changes to increase private saving. These include having firms automatically enroll employees in a retirement plan or program, automatically increasing contributions over time, and replacing current tax incentives for retirement saving with a simple 30 percent match for everyone.

*The structure of wages: an international comparison.* Edited by Edward P. Lazear and Kathryn L. Shaw. Chicago: University of Chicago Press, 2008. 461pp. \$115.00, cloth. ISBN: 978-0-226-47050-4

This work compares firm wages and hiring and promotion practices, both locally and internationally. The authors based their analyses on employer/employee matched data sets from various countries and found that the high wage variation within firms, and within the economy as a whole, is similar across all nations. The trend that indicates that firms are beginning to vary from one another is firm specialization in jobs requiring greater skills, which are rewarded with higher wages. The editors recommend that future research with these data consider company pay policies vis a vis firm productivity, profitability or survival and the chances of employee advancement within firms.

Undy, Roger. *Trade union merger strategies: purpose, process, and performance.* Oxford; New York: Oxford University Press, 2008. 295pp. \$110.00, cloth. ISBN: 978-0-19-954494-3

Undy undertook a longitudinal study of the causes of British union mergers and the post-merger performance of the unions from 1978 to 2006. The merger of trade unions is one of the strategies that have been promoted to address the decline in union membership, among other challenges. The advantages of this tactic, proponents say, include a reduction in inter-union competition, an increase in collective bargaining power and political influence, and an increase in resources for recruiting and retaining members. Undy concludes, however, that while mergers may provide some advantage to an individual union, they do not increase the movement's political influence nor affect union decline.