

demand and supply in the labor market and that returns to education in the USSR were not negligible. They were lower than in many market economies because the wide access to education, for women as well as for men, the low price of schooling, and the unpopularity of working-class jobs led to a large supply of educated labor, even at a relatively low price.

In sum, despite its shortcomings, the book is an important contribution to the literature on the Soviet labor market and wage structure. It is a required reading for researchers of the Soviet system and the labor market in post-Soviet Russia. With appropriate support from the instructor concerning the empirical techniques, this book could be used in upper-level undergraduate and graduate comparative economic systems and post-Soviet studies courses.

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*Crippled Justice: A History of Modern Disability Policy in the Workplace.* By Ruth O'Brien. Chicago: University of Chicago Press, 2001. 302 pp. ISBN 0-226-61660-6, \$19.00 (paper).

Ruth O'Brien's *Crippled Justice* takes the reader through the evolution of the major pieces of federal legislation related to the employment of people with disabilities enacted during the post-World War II period. The author does an excellent job of portraying and documenting the political, scientific, and philosophical motivations behind the major disability policies enacted over the past sixty years, and gives the reader a sense of the likely impact of these policies on the lives of people with disabilities.

Chapter 1 describes the birth of rehabilitation medicine, along with the medical and psychoanalytical underpinnings. Rehabilitation medicine considered the whole person, and focused on what the person could do and the compensating factors associated with a disability. Personality, self-esteem, and emotional condition were seen to play roles as important as physical functioning. While the shift of focus from body parts and diseases to the whole person was socially progressive, rehabilitation medicine held the belief that the burden of fitting into society was to be borne by the person with the disability. Those with disabilities were to

strive for normalcy so that they could better fit into society, and experts, rather than those with disabilities themselves, knew what was best for them.

Chapter 2 describes the first legislative initiatives establishing vocational rehabilitation programs, and how those initiatives gained momentum after World War II. The most notable feature of this movement was that it was pushed forward not by individuals with disabilities, but rather by a community of physicians and other professionals who believed strongly in the theory of rehabilitation and its psychoanalytical foundations. The movement was never based on the view that people with disabilities had a right to equal participation in society and to the services that would help them achieve equal participation. And still the burden of fitting in to a work environment or society in general was borne wholly by the person with a disability.

In Chapter 3 the author describes attempts at applying the rehabilitation theories to other disadvantaged populations during the 1960s. It was thought that the principles of rehabilitation could also be used to treat the problems of the poor, that is, those with "social handicaps." The rehabilitation movement's ingrained paternalism came into conflict, however, with the views of some advocates in the War on Poverty, who emphasized individual rights and believed that the cycle of poverty could be broken only by mobilizing communities and giving low-income individuals more autonomy. Both movements were halted by the Nixon administration's restructuring of social programs in line with its position that money, not rights legislation or the advice of rehabilitation experts, would level the playing field for the poor and those with disabilities. While other rights movements gained momentum during the 1960s, disability rights lagged behind.

In Chapters 4 and 5, the passage and implementation of the 1973 Rehabilitation Act are described. Embodied in Section 504 of the Act was an impetus for a new focus on disability rights. Section 504 prohibited entities receiving federal funding from discriminating against persons because of a disability and required them to provide reasonable accommodations to people with disabilities. While this appeared to hold tremendous potential for furthering disability rights, implementation of the policy was stalled, and the courts' interpretation of the provisions was narrow. Numerous court decisions reflected the view that persons with disabilities were entitled only to minimal accommodation, not accommodation that would al-

low them to compete equally with others. To be protected from employment discrimination under Section 504, people with disabilities had to prove they had a disability, that they were qualified for a position, and that their disabilities did not limit their ability to work. These hurdles resulted in very few persons receiving protection under the Act. The courts had essentially become the medical and vocational "experts" deciding who was worthy of accommodation, in much the same way the early rehabilitation experts decided which people with disabilities were worthy of receiving services. The predominant view remained that employers and society were not obliged to accommodate those with disabilities.

In the final chapter, the author describes the passage of the 1990 Americans with Disabilities Act (ADA) and its aftermath. The ADA was seen by many as the most significant legislation since the 1964 Civil Rights Act. It prohibited discrimination against people with disabilities in all public establishments, including the workplace, and required that employers provide reasonable accommodations to workers with disabilities. As with Section 504, the courts have become the primary means of enforcement for the ADA and they have interpreted the provisions very narrowly, in part out of fear of a flood of lawsuits, and in part to protect the autonomy of employers. The author presents the events surrounding several of the major court decisions under the ADA both factually and from the perspective of the disability rights movement. The effect of this juxtaposition is to leave the reader disheartened by a feeling that the rights of people with disabilities are not protected under the ADA, and that American society still has a long way to go before people with disabilities will have relatively equal access to all mainstream activities, including employment.

The events surrounding the issues of discrimination, equal access, and disability rights over the past sixty years, and the views of the numerous stakeholders concerning those events, are well represented and documented in O'Brien's book. While the tools and policies in place have the potential to reduce discrimination against those with disabilities and improve their access to all aspects of society, they have not been used to their full potential. The reader is left with the sense that the focus of the courts has been on investigating petty and personal details of the everyday lives of those filing suit to determine whether they are worthy of protection under the ADA, rather than on enforcing the spirit of the legislation. Until free-

dom from discrimination and accommodation of individual differences is viewed as a right, the provisions of the ADA will have only a marginal effect on the employment of people with disabilities.

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### Labor Economics

*The Economic Effects of Trade Unions in Japan.* By Toshiaki Tachibanaki and Tomohiko Noda. New York: Palgrave (at St. Martin's Press), 2001. x, 204 pp. ISBN 0-312-23586-0, \$75.00 (cloth).

This book presents what is intended to be a thorough inquiry into the "social" and economic effects of Japanese trade unions at three different levels. For its exhaustive, quantitative examination of various union effects, the book is outstanding. As to whether Tachibanaki and Noda succeed in their overall design, however, my answer is only a qualified yes.

The authors succeed in quantitatively verifying the economic effects of unions on working conditions, separation rates, and productivity at the enterprise level and on labor share at the macro level. They fail, however, in their attempt to analyze unions' influence on workers' attitudes, expectations, and satisfaction, which I call "social" effects at the individual level. Moreover, they do not seem to fully use their invaluable findings to develop a new interpretation of the function of trade unions, especially of Japanese enterprise-based unions.

Workers' attitudes, expectations, and satisfaction, which have been studied by researchers in industrial sociology and other disciplines, are affected by many factors in an intertwined way, and they should be analyzed accordingly. Tachibanaki and Noda do not seem to pay sufficiently careful attention to the complexity of the relationship. For example, they conclude that "employees who do not mind working hard, or make an effort in job tasks, are not interested in the effect or the role of unions" (p. 59). This conclusion is inconsistent with another finding from the authors' own survey: about 70% of all workers surveyed said they "find that they work too hard at the expense of their personal and private life" (p. 56), and these workers are more

inclined than the remaining 30% of the workers to think that a union is necessary (p. 46). Another example is the apparent incompatibility between their conclusion that "unions were not successful in increasing workers' [self-reported] propensity to stay in the firm" (p. 78) and their later report of a finding that unions significantly decrease separation rates. Although Tachibanaki and Noda properly state that employees' self-reported propensity to remain with the firm differs from their actual behavior, they do not attempt to inquire into the difference. Their analysis, then, is left half done.

The authors report some intriguing findings. First, the results of their carefully devised econometric analysis indicate that unions in Japan have no effect on wages. This finding, however, should be accepted with reservations. Wages analyzed here are not those actually paid, but *model* wages for thirty-year-old employees. Model wages are not mandated by contract or collective agreement; they are simply estimated wages for workers who join firms immediately following the completion of their schooling and receive a normal appraisal every year. There is good reason to doubt the correspondence between model wages and actual wages. In particular, consider the authors' finding that there is almost no difference in monthly model wages, on average, between unionized firms (230,100 yen) and non-unionized firms (233,300 yen), despite the much larger average firm size among the former (904 employees) than among the latter (197 employees) (p. 94, Table 6.1). It is documented even in this book (Chapter 5) that firm size, as a rule, strongly affects wage differentials in Japan. Thus, a finding of almost no difference between the two groups of firms in average monthly model wages casts doubt on Tachibanaki and Noda's data and their conclusion.

Second, the authors find that unions have statistically significant positive effects on regular working hours and retirement allowances, but not on the number of paid holidays, the rate of paid holidays taken (in Japan, workers often do not take all paid holidays), or overtime working hours. Unions do exert positive effects on some working conditions by strengthening employees' voice, which is a new variable devised by Tachibanaki and Noda.

Third, unions significantly decrease separation rates by enhancing employees' voice. There is a large, statistically significant difference between the average separation rates at unionized firms (5.56%) and non-unionized firms (7.83%) (p. 110, Table 6.7).

Fourth, unions in Japan significantly increase productivity. Strong evidence of this influence is provided by econometric analysis of several data sources, productivity being measured by sales growth per capita, sales per capita, and value-added per capita. Unions in Japan positively affect productivity by decreasing separation rates and by enhancing employees' voice, according to the authors' analysis.

Fifth, unions in Japan, through the pressure they apply on management in strikes, have a statistically significant positive effect on labor's share of income at the macro level, but the declining frequency of strikes since the Oil Shock has had a negative effect on labor's share. In other words, labor's share has been deteriorating since the mid-1970s because of unions' decreasing use of their power.

Tachibanaki and Noda then discuss the reasons for unions' positive effect on productivity and also for the comparatively unaggressive stance of Japanese unions. They regard human capital theory and the information sharing model as instrumental in explaining the former. Another explanatory variable they invoke, not only for unions' positive productivity effects but also for their mildness, is enterprise unionism: "both employers and unions (employees)," they conclude, willingly accepted enterprise unionism as a means "to increase the firms' performance and thus the competitive power of the firm" (p. 178). I do not share their view. Enterprise-based unions have often done economic harm to enterprises and have also, at times, given rise to labor-management strife. Many severe labor disputes occurred in the 1950s, and others have occurred in the public sector and the small- and medium-sized enterprises sector where many militant enterprise or establishment based unions have survived.

Putting aside that reservation, I would raise the following question. If Japanese unions do in fact contribute to the increase in productivity but make few demands for improved wages and benefits for their members, can they be called true unions?

I believe the answer is yes, because of an important aspect of Japanese unions that is missing from that picture: their "employment security" strategy. Even in the gloomy 1990s, Japanese unions strove to protect their members' employment, sometimes going so far as to move them to other enterprises. I believe union-protected employment is an important reason for the Japanese economy's delayed restructuring. Some scholars argue that the Japanese economy has been through profit squeezing

because of the real wage increase; in my opinion, the employment security pursued by unions is directly tied to that effect. Specifically, unions' employment security emphasis is likely to reduce the separation rate and increase the length of service in unionized firms—and under the current Japanese wage system, the longer the length of service, the higher the wage.

Such a pattern could easily be confirmed or disconfirmed by research comparing union with nonunion firms. In Tachibanaki and Noda's econometric analysis in this book, the union effect is translated into the job tenure effect and cannot be identified.

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### Human Resources, Management, and Personnel

*Negotiating Globally: How to Negotiate Deals, Resolve Disputes, and Make Decisions across Cultural Boundaries.* By Jeanne Brett. San Francisco: Jossey-Bass, 2001. xxxi, 246 pp. ISBN 0-7879-5586-8, \$32.95 (cloth).

Given the "How to" title, it might be best to begin by warning readers who are seeking a "cookbook" for how to negotiate when in Rome that this book is nothing of the kind. It is, rather, a long-needed addition to the negotiation literature—a practical but empirically rigorous book on international negotiation.

The book is organized topically, first providing a framework for cross-cultural negotiation and then tackling topics such as working in multi-cultural teams; the difference between negotiating deals and resolving disputes; social dilemmas; and what happens when the government is at the table. Readers looking for a quick primer on a particular country or culture will be disappointed, but several existing books already answer their need. Instead, this book explores how to think about, and strategize for, cross-cultural negotiation. It provides a framework for *diagnosing* a cross-cultural negotiation—what is going well, what is not, and why. Throughout, it is enriched by real-world examples and cases—with a particularly in-depth analysis of Disney's expansion into Japan, France, and, most recently, Hong Kong.

Brett begins by introducing the standard

negotiation concepts—integrative and distributive bargaining, interests and priorities, strategies and alternatives. The brevity of this overview signals that the book is for those already acquainted with the basics. Readers familiar with any of the classic texts on negotiation, such as Roger Fisher, William Ury, and Bruce Patton's *Getting to Yes*, will have no difficulty. Brett quickly moves on to consider how culture can affect these negotiation factors, in a presentation that effectively combines concepts, theories, and examples.

The examples are well chosen and memorable. Consider one anecdote from Brett's own experience. Temporarily residing in France, she volunteered to host an American-style Halloween party for her daughter's class of 30 youngsters. She quickly discovered that finding 30 pumpkins suitable for carving was no easy matter in France. Eventually, she found 30 smallish but acceptable pumpkins at a roadside stand. When she offered to buy all the pumpkins, however, the proprietress balked, explaining that she needed seeds from some of the pumpkins for next year's planting. Brett's integrative solution: in return for being allowed to buy the lot, she promised to return with the seeds in time for planting.

That example is reminiscent of the classic case of the sisters and the orange, described by Mary Parker Follett over 50 years ago. The twist comes in adding the dimension of culture, a powerful factor that can affect all aspects of negotiation—not only how negotiators behave, but also their values, beliefs, interests, and priorities.

A real-world example is the aftermath of EuroDisney's purchase of a large area of farmland in France. When the corporation promised jobs and economic development to a region that had long been economically depressed, the local farmers, far from gratefully embracing the proposition, were furious. Despite the difficult economy, they valued their traditional agricultural lifestyle over development. The executives' response was to try to persuade the French farmers that their preferences were irrational. Difficulties predictably ensued. Had the executives accepted the cultural differences, Brett argues, they could have sought ways to meet the underlying values and interests of both parties.

The subject of Chapter 2, negotiating deals, is the traditional focus of negotiation textbooks and courses. Examples of "deals" are buying and selling, international acquisitions, joint ventures, alliances, and licensing. Dispute reso-

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