habits of thought formed over decades of state socialist rule—have been fundamentally at odds with a healthy adjustment to democratic capitalism. The editors view this explanation, too, as implausible. Such a picture, they argue, implies stubborn adherence to a strongly defined set of ideas and values, whereas what has been manifest during the years of transition has been a wavering, unclear ideology and a weak union identity.

Chapters 1–10 are essays focusing on the state of trade unions and the relationship between labor and politics in ten countries. The writers are experts with extensive experience in the regions they examine. The countries covered are the Czech Republic (discussed by Anna Pollert), Hungary (András Tóth), Slovakia (Jonathan Stein), Poland (David Ost), Romania (David A. Kideckel), Bulgaria (Grigor Gradev), Croatia (Marian Kokanović), Serbia (Mihail Arandarenko), Ukraine (Wlodzimierz Panków and Evgenii Kopatko), and Russia (Stephen Crowley).

All ten essays accept the premise that labor in post-communist Europe is weak, but the authors bring a variety of theoretical, methodological, and empirical tools to bear in studying that phenomenon. Also differing across these chapters is the structure of presentation. Because of this variation, the chapters do not lend themselves to cross-comparison. The editors of the volume say that they have deliberately avoided the comparative method because institutions or events that indicate union strength in one context might merely represent a carryover from the communist years in another. The question of labor's weakness or strength can be meaningfully answered, they argue, only within a particular national context.

The authors of the country essays capably outline important trends in labor restructuring in post-communist Europe and Russia. The chapters are based on diverse evidence derived from in-depth case studies of the ten countries. Each chapter thus reads as an independent national case study survey of labor weakness in post-communist society, focusing on a specific aspect of union restructuring. Unfortunately, the volume does suffer expositionally from the lack of a unified analytical approach. Not only is it difficult to compare the countries' experiences, but the want of coordination also results in inefficiency, as several general arguments about labor weakness are needlessly repeated.

The volume's conclusion, written again by the editors, tries to explain the origins and implications of apparent labor weakness. For Ost and Crowley, labor weakness means workers' and trade unions' inability to shape conditions of work or public policy in accord with their interests. The specific signs of such weakness they describe, citing evidence from the foregoing empirical chapters, are declining trade union membership, increasingly hierarchical management, toothless collective bargaining, redundant agreements, infrequent and ineffectual strike action, ineffective or nonexistent political alliances, minimal union influence over public policy, and declining material outcomes for workers.

While the editors acknowledge that economic factors, resource problems, and the institutional specifics of each country have played a part in union weakness, a variable they judge even more important is unions' own attitudes and strategies, which in large part are in reaction to their communist past. In particular, labor's experiences under communism made it hyper-skeptical of unions, an attitude that has been reinforced by the dominant ideologies of the new post-communist elites. Ost and Crowley regard that crisis of socialist ideas as itself a key factor explaining union weakness. Thus, globalization cannot fully explain the dilemmas faced by labor in post-communist Europe, or the way unions have thus far responded to those dilemmas. There are factors unique to post-communist societies. For the editors, the contexts in which union leaders act and the ideas that guide their activity matter.

The volume as a whole is a helpful guide for understanding trends in labor power in post-communist Europe, as well as broader economic and political change both there and in other transitional societies. I recommend it to academic scholars and students of post-communist Europe. Practitioners and policy-makers from the region who are interested in the political aspects of union restructuring may also find the book valuable, even though the editors refrain from saying whether they think any policy-oriented solution to the labor weakness problem holds promise.

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At Home and Abroad: U.S. Labor Market Performance in International Perspective. By Francine D. Blau and Lawrence M. Kahn.

New York: Russell Sage Foundation, 2002. xi, 314 pp. ISBN 87514-100-9, $34.95 (cloth).

Thirty years ago, unemployment in the United States (4.8% in 1973) was much higher than in virtually any other country at the same stage of economic development. Economists intensively studied the labor markets of countries such as France (2.6% unemployment in 1973), West Germany (0.8%), and Japan (1.3%) to learn of possible mechanisms for lowering joblessness in the United States.

Today the situation is completely reversed. U.S. unemployment is significantly lower than in most OECD countries. In many European countries, unemployment has been running at or near double-digit levels for the past two decades. The gap between U.S. and Japanese unemployment rates has vanished. This turn of events has generated countless economic studies, conferences, and white papers about what the rest of the world can learn from the U.S. experience.

Although most of the policy discussion has focused on unemployment, there have been two other noticeable differences in labor market outcomes between the United States and most other OECD countries. First, wage and income inequality has significantly increased in the United States since 1979, whereas it has increased only slightly elsewhere. Second, real wages have fallen for U.S. men and risen moderately for women over this time period, whereas real wages for both men and women have risen significantly outside the United States.

The central thesis of *At Home and Abroad* is that these divergent labor market trends are the direct consequence of the differences in labor market institutions between the United States and other OECD countries.

Suppose that every country has been subjected to a series of comparable macroeconomic shocks over the past 30 years, including oil price increases, disinflation, productivity slowdowns, and globalization. At the same time, suppose that the demand for skilled labor has been increasing relative to the demand for unskilled labor in all of these countries, mainly because of skill-biased technological change. Now compare the consequences for country A, where wages are free to adjust to market shocks and there is relatively little income insurance available through the unemployment compensation system, and country B, where wage adjustment is constrained by collective bargaining and regulation and where unemployment benefits are extremely generous. A simple supply-and-demand model would lead us to expect relatively low unemployment, rising wage inequality, and negligible growth in real wages in country A. Things work out quite differently in country B. Wages for unskilled workers cannot fall without the buy-in of unions and the government. In fact, unions are in a position to continue to push for higher real wages, knowing that those who lose jobs will be protected by an extensive safety net of benefits. Wage inequality does not change very much, because minimum wages and collective bargaining preserve wage floors and distribute wage gains through all levels of the wage distribution. So country B gets high unemployment, continued wage growth, but little change in wage inequality.

Blau and Kahn make a convincing case that the United States very much fits the profile of country A, that most other OECD countries fit the profile of country B, and that the key to understanding the differences in labor market performance between the two is the similar-shocks-but-different-institutions story.

The book begins with a comprehensive comparison of labor-market performance between the United States and other OECD countries. For those new to the subject, I cannot think of a better reference for quickly getting to the facts on unemployment, employment-population ratios, work hours, contingent employment, wage levels, wage inequality, and gender pay gaps.

Similarly, the book contains a very valuable overview of how labor market institutions vary between the United States and other OECD countries. This is the place to go if you want to get up to speed rapidly on how union density, collective bargaining coverage, centralization and coordination of bargaining, minimum wages, unemployment insurance, and regulation of employment contracts vary across the globe. The key differences between the United States and other countries are as follows: (1) the percentage of workers whose wages are determined by collective bargaining is much lower in the United States and has been declining steadily; (2) unemployment insurance systems in the United States replace a much smaller percentage of income and provide benefits for a much shorter period; (3) regulations on hiring and firing are much less restrictive in the United States; and (4) the minimum wage relative to the median wage is much lower in the United States.

It is one matter to show that the United States fits the profile of country A and that the rest of the OECD pretty much fits the profile of country B. The challenging question is to establish causality. Blau and Kahn wisely employ both macroeconomic and microeconomic evidence to make their case. They convincingly rule out the arguments that unemployment outside the United States increased because of more severe macroeconomic shocks or changes in work force demographics such as a younger labor force. Instead, the key difference between the United States and other OECD countries is in how unemployment responds to a macro or demographic shock. The impact of a change in labor demand or real interest rates on unemployment is much greater in countries with generous unemployment benefits, extensive employment protection, and highly coordinated systems of wage bargaining. Between 1970 and 1995, unemployment benefits became much more generous and employment protection became more extensive outside the United States, whereas collective bargaining coverage fell much more in the United States than elsewhere. So, voila, there is a link at the macro level between changes in labor market institutions and unemployment.

The micro analysis focuses mainly on the impact of institutions on wage inequality. Cross-section evidence shows a strong, negative correlation across countries between wage inequality and collective bargaining coverage in the 1990s. More convincingly, Blau and Kahn examine what happened in countries where there were significant changes in either the framework or extent of collective bargaining. For instance, wage inequality plummeted in Sweden in the 1960s and 1970s as unions gave equal pay increases to all classes of workers, whereas it increased in the United Kingdom in the 1980s after Thatcher abolished the closed shop. The micro evidence on institutions and employment is less conclusive.

The argument of the book is mostly focused on differences between the United States and other OECD countries, which is natural given the long-standing interest of economists and policy analysts in that subject. Looking over the past 30 years, one might argue that there really were two puzzles on the macro-labor front: (1) why did unemployment fall so much in the United States, and (2) why did it rise so much elsewhere? The first question really is not a puzzle anymore. Changes in demographics and income maintenance programs, along with greater wage flexibility and sustained economic growth, have been largely responsible for lower unemployment in the United States. To answer the second question, we need to learn more from the OECD countries that experienced double-digit unemployment during the 1980s or early 1990s but have since been able to get unemployment back down to near-U.S. levels, such as the Netherlands, Sweden, and the United Kingdom. Do we need to know more about what policies and institutions lead to lower unemployment, or is the real question how to build a coalition that can implement such policies successfully?

At Home and Abroad should be a "must read" for anyone with an interest in understanding the impact of labor market institutions. Researchers will find it valuable because of the massive volume of evidence that is reported and synthesized. It is accessible to anyone with an understanding of economic fundamentals, including advanced undergraduates.

No one who reads this book will be able to seriously argue that the differences in labor market outcomes between the United States and the rest of the OECD countries can be explained in terms of demographics, educational systems, or macroeconomic shocks. Blau and Kahn make a convincing case that collective bargaining and government regulation of the labor market are not just two important factors; they are the two most important factors.

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Research Methods and Information Sources

Analyzing the Labor Force: Concepts, Measures, and Trends. By Clifford C. Clogg, Scott R. Eliason, and Kevin T. Leicht. New York: Kluwer Academic, 2001. xv/266 pp. ISBN 0-306-46536-1, $95.00 (cloth); 0-306-46537-X, $37.50 (paper).

This book brings together a number of techniques for analyzing the labor force developed by the late Clifford C. Clogg. Clogg's contributions to social statistics have been celebrated in a number of festschrifts since his untimely death in 1995. In order to commemorate a substantive aspect of Clogg's work that has received less attention, Scott R. Eliason and Kevin T. Leicht