without concessions on their part). On the other hand, competitive pressures and new technologies have in some cases led to employment reductions among white-collar workers, calling into doubt the job security of the salaried model. Employers faced with such market pressures have in many cases opted for a two-tier model, in which they continue to guarantee the job security of a core group of white-collar workers, while using a peripheral group of temporaries, part-timers, and others who do not receive this guarantee.

How does all this relate to the difficulty in finding reemployment, and the lower wages when such employment is found, of experienced, laid-off workers? Osterman believes that these reemployment difficulties are a central fact of the current functioning of internal labor markets, whether under the industrial or the salaried model. That is, both models are based on hiring at lower levels and advancement "through the ranks." Workers understand this and thus strongly desire the security guarantee. Yet employers, who may wish to move toward the salaried model for their blue-collar workers, are also feeling market pressures to weaken the security guarantee for salaried workers, be they blue- or white-collar. In the ensuing struggle between workers and employers both sides may lose. In particular, the good faith upon which the salaried model trade-off is based—worker flexibility and initiative offered in return for employer guarantees of job security—may begin to erode.

Osterman would like to shore up the salaried model and see it extended to the entire labor force. He proposes this as a goal of public employment policy. A review of such policies in Germany and Sweden is used to argue that employment policy can be successfully directed to the characteristics of firm internal labor markets.

Osterman's concrete suggestions are as follows. First, expand the current employment and training system. Pay for this with a percentage tax on firms based on their payroll. Second, base this expanded system in local agencies built up by consolidating and expanding currently existing Private Industry Councils and Service Delivery Agencies (initiated under the Comprehensive Employment and Training Act but expanded under the Job Training Partnership Act). Place local Employment Service offices under the administrative control of these expanded local Service Delivery Agencies. Finally, direct these agencies to decrease the penalties of job loss for local workers through both safety net (unemployment insurance, extended health insurance) and employment and training efforts. Creative experiments might be tried. For example, it is often observed that firms simultaneously lay off some workers (say, middle managers) and hire others (technicians and salespeople). In this situation, the local agency might offer subsidies to firms that are willing to retrain workers due to be laid off for other jobs that are becoming available. In Osterman's view, such public policy efforts to increase workers' job security and decrease the costs of layoff can aid firms in maintaining or moving toward the salaried model.

What should be made of these analyses and policy suggestions? The issues may be usefully concretized by returning to our beginning point, the labor market for professors. Here the tenure system provides an extreme example of Osterman's salaried model. This system offers complete job security (through age 70), within which at least some professors gracefully lose their research (and even teaching) momentum and essentially "retire on the job" with impunity. There is little doubt that in the absence of the institution of tenure at least some professors would face the job loss, and difficulty in finding comparable reemployment, that Osterman finds for the labor market as a whole. In this event, would we welcome Osterman's proposals to reform the system?

Perhaps. On the one hand, efforts to increase the security, better the life chances, and more fully utilize the skills of experienced workers must be applauded. On the other hand, one might be skeptical of the government's ability to perform non-wastefully in an area such as this, where every provision of subsidy seems to be accompanied by perverse incentives. Indeed, just these arguments have been made with regard to federal employment and training policy. However, whichever side one comes down on, it is difficult to dispute the argument that institutional arrangements play at least as large a role as market forces in determining both problems and their potential solutions. It is in fleshing out the picture of these two forces at work within current American labor markets that Osterman makes an undeniable contribution.

GEORGE FARKAS
School of Social Sciences,
University of Texas at Dallas,
Richardson, TX 75080

Pay Equity: An Effort at Implementation

Wage Justice. Comparable Worth and the Paradox of Technocratic Reform. SARA M. EVANS and BARBARA J. NELSON. University of Chicago Press, Chicago, 1989. xiv, 224 pp., illus. $24.95. Women in Culture and Society.

The ideological debate surrounding comparable worth has been fierce. Opponents have called it "the looniest idea since Looney Tunes" (p. 4) and "a repeal of the law of supply and demand" (p. 65); according to proponents comparable worth is "the issue of the 80s" (p. 4) and will lead to "a fundamental revaluing of women and their work" (p. 170). *Wage Justice* is one of several new books that take comparable worth out of the purely ideological realm and bring it under the lens of careful social science inquiry. The book provides a highly readable, analytic examination of an effort to initiate and implement comparable worth legislation at both the state and the local levels in Minnesota during the period 1982 to 1987.

"Comparable worth" is the shorthand term for "equal pay for work of comparable value." In a world characterized by marked occupational segregation—about 60% of men (or women) would have to change their occupations in order for men and women to be distributed equally across the approximately 400 Census-defined occupations—comparable worth policies seek to equalize the wages of jobs done largely by women relative to the wages of jobs done largely by men.

In order to compare their worth, a common currency across jobs needs to be established. Job evaluation provides such a currency by assigning each job a certain number of points on the basis of its particular characteristics: for example, required skill, training, responsibility, effort, and working conditions. Once a job evaluation has been completed, the principle of comparable worth then requires that jobs equivalent in point value be compensated equivalently. The authors note that, as of the summer of 1987, 42 states had engaged in research or data collection on comparable worth, 36 had appointed task forces or commissions, 28 had participated in a job evaluation study, and 20 had provided some comparable worth payments to state employees (pp. 71–72).

Not only the nitty gritty of job evaluation and the politics of lobbying and implementation but also the historical, theoretical, and ideological context of comparable worth are explored in the book. Chapter 2 places the efforts to achieve comparable worth legislation in the broad sweep of American labor history. In chapter 3, the authors compare the neoclassical economic theory with the institutional economists' approach to labor markets. Neoclassical theorists see any interference with the wages set by the market as an intolerable invitation to inefficiency and inequity. Institutionalists, on the other hand, view the wage-setting process as much less a contest of impersonal and ultimately equitable market forces and much more a process of pricing and allocation carried out by fallible human beings governed by rules and customs in labor markets that are largely internal to the firm. Institutional economists are thus much more comfortable with the notion of comparable worth than are their neoclassical counterparts.

As its title implies, the book is concerned both with justice and with the paradox of achieving justice through a combination of the bureaucratic state and the technocratic process of job evaluation. The authors are struck by how small a role self-determination and workplace democracy play in bringing about wage justice.

One of the most interesting parts of the book reports on a June 1985 survey of about 500 employees of the state of Minnesota. About 80% of employees queried (about 87% of women and 76% of men) supported the notion of comparable worth. (The specific question asked was: "If studies showed the work of delivery van drivers and clerk typists required the same level of skill, training, responsibility, and so forth, should an employer pay these types of positions the same?" [p. 106]). Moreover, about 80% of respondents had heard of comparable worth (termed "pay equity" in the survey), and of those who had heard of it almost all (94%) understood that men as well as women could receive pay equity raises.

However, although state employees supported and understood the concept of comparable worth, they often did not know whether or not they themselves had received a pay equity raise. Of those respondents who according to state payroll data had actually received such raises, only 56% knew they had received them. Twenty-two percent thought they had not received a raise when in fact they had, and another 22% never heard of the policy even though they had received the raise. As the authors point out, these findings suggest caution in assuming that employees are knowledgeable about and keep close tabs on their remuneration, an assumption routinely made in economic theory. The findings also suggest that the potential of comparable worth either to disrupt the workplace or to radically transform women's views of themselves has been overdrawn.

On the other hand, an implementation strategy with more fanfare on the part of the union might have produced different results at the state level. The American Federation of State, County, and Municipal Employees, the primary union involved in the state implementation, chose to downplay the issue, for fear of stirring up difficulties in primarily male bargaining units. Implementation of the legislation at the local level was far more complex and less harmonious than it was at the state level. Chapter 6 provides a fascinating and richly textured discussion of the multiple patterns of compliance at the local level—from school districts that seemed to want to get an "A" in implementation to the Association of Minnesota Counties, whose stance was one of "philosophical opposition" and "begrudging compliance" (p. 140).

Forecasts that comparable worth would lead to financial doom, like forecasts that it would disrupt the workplace or transform women's views of themselves, have not been borne out by the Minnesota experience. What has been borne out is that through job evaluation it is possible to compare a wide variety of jobs and to make some estimates of their value relative to one another. The process seems to have produced a more equitable situation than the one it replaced. Indeed, perhaps the most interesting perspective noted in the book came from the personnel director of one of the large school districts in Minnesota. In his view, the comparable worth exercise rationalized what was otherwise an irrational as well as an inequitable system: Comparable worth, he said, was "the greatest thing since popcorn" because it "forces us to be good managers based on data, not power, biases, and personal relations" (p. 154). Ironically, wage justice is far more likely to be achieved if comparable worth is seen as a useful management tool than if it is viewed as a revolutionary notion to achieve equity.

MYRA H. STROBER
School of Education,
Stanford University,
Stanford, CA 94305

Tools of Persuasion

The Consequences of Economic Rhetoric. ARJO KLAMER, DONALD N. MCCLOSKEY, and ROBERT M. SOLOW, Eds. Cambridge University Press, New York, 1988. xii, 305 pp. $39.50. From a conference, Wellesley, MA, 1986.

The subject of economic rhetoric was first presented in 1983 by Donald McCloskey, who had thitherto written as a conventional economist with special expertise in economic history. The treatment was elaborated in *The Rhetoric of Economics* (University of Wisconsin Press, 1985) with vigor and wit, and a minor cult has emerged to exploit the approach. The volume under review is a miscellany of conference papers and reprinted articles that ostensibly address the question What follows for economics from the study of rhetoric?

Rhetoric has been defined by McCloskey as the study of how people persuade. Scholars (of all disciplines, he argues) may persuade by logic and empirical evidence, but these are a small part of the scholarly arsenal. The larger part is literary culture: the use of metaphors and analogies, colorful parables, striking examples, and emotion-laden figures of speech. Thus, McCloskey estimated that only 15 percent of the confidence placed by economists in the law of demand (people buy less at higher prices) comes from logic and statistical evidence, 85 percent from "literary" rhetoric. Appropriately enough, he supports this thesis by a rhetoric that gives little space to logic or evidence.

What plausibility the rhetorical approach possesses is due, in large part, to the fact that scientific discourse (written as well as oral) usually does not linger long in disputes over logic and empirical evidence. Arguments over logic are usually quickly settled, and, as a rule, arguments over empirical evidence gradually converge to a consensus. In the normal interchange between two scholars, each attempts to change the other's view of a subject, and often both succeed. Each uses complex arguments of which technical analysis is only one element.

The rhetoricians gloss over a fundamental problem in intellectual relationships: it is extremely difficult, and often impossible, to identify the types and even the source of discourses that effectively influence a person. Ask yourself where you received your ideas on a significant subject in your discipline—say, for the economist, the roles of labor unions in the determination of wage rates. The sources are varied and scattered over the past and possibly include subtle inferences from seemingly unrelated knowledge. When the rhetoricians tell us which kinds of arguments are persuasive, they are guessing.

And now, what does this book tell us about the consequences of the study of rhetoric for economics? Most of the 18 essays do not even address the question. Five papers argue the reasonable and unsurprising thesis that scholars use a different language in speaking to laymen or congressmen than to fellow scholars. Two authors blame rhetoric for contributing to the traditional (but now rapidly declining) practice of assigning women primarily to the nonmarket world (households). I accept their description of the past but find it odd to complain against a rhetoric that accurately reflected centuries of social fact. Other pa-