group of unemployed people not randomly selected. It is, however, a revealing study, deserving of application in a more comprehensive programme. John Freeland's analysis of experiences with the Community·Youth Support Scheme (CYSS) is lengthy. It reviews the workings of the scheme and the bases of criticism. It is polemical in style. The explanation of the political role assumed by the supporters of the scheme will confirm for many people the strength of the single-interest lobby (and empire?) generated by welfare commitments. Hence this contribution should be read carefully.

Part four is about unemployment in clothing and steel as well as its technological impacts. The offering on the clothing industry is relatively brief, leaving an impression of an author not willing, rather than unable, to test the full extent of problems associated with restructuring industry and designing appropriate policies. The segment on the steel industry reviews the problems of the steel industry in 1982. It lacks any real thrust and so is most disappointing. As with some other contributions, this paper would not have seen the light of day in any refereed journal. Ray Markey looks at new technology and redundancy in the communications industry. This is a helpful review of issues, with which one does not have to agree but it poses sufficient questions to be most useful. Unfortunately, the author does not clarify his position on the sorts of policies that would ease the impact of new technologies on employment and capital outlays.

Policy responses to unemployment occupy the final segment. Owen Covick offers an excellent appraisal of the connections between macroeconomic policy and unemployment. It is most helpful, bringing together arguments on the conduct of economic policy between the various schools of analysis bearing upon the topic. This contribution is a challenging one and highly recommended.

It is followed by a contribution dealing with the career destinations of those who have experienced technical and further education. However good this paper may be, it is just out of place in this part. The authors are ill-served by having it come right after Covick's fine efforts. The final segment, as mentioned earlier, is a quite brief review by the editors; a contribution much too short to do justice to what some of the authors offered in earlier chapters. It is just not good enough to end with a number of general statements of what might be done.

This book is not recommended as a general reference. Some very good contributions show up the shallowness of too many other ones. The editors would have been better advised to have chopped out four or five of the papers and concentrated their efforts on integrating proposals and issues embodied in the better ones.

University of Sydney W. P. HOGAN

THE ECONOMICS OF NON-WAGE LABOUR COSTS

By Robert A. Hart. George Allen & Unwin, London, 1984, xii + 173 pp, $39.95 (hardback)

Robert Hart has provided us with a stimulating overview of the extent, nature and reasons for the existence of non-wage labour costs. The book is valuable because it demonstrates the naivety of labour market models focusing on hourly wages as the appropriate variable to represent remuneration to workers or employment costs to firms. More subtly, but perhaps of equal importance, the book illustrates the bankruptcy of labour analysis that does not take sufficient account of the heterogeneity of workers.

Non-wage labour costs (e.g., pensions, allowances, vocational training, social and health facilities, and payments for days not worked) made up about a third of total labour costs of eight OECD countries in 1981, a ratio that has tended to increase since the mid-1960s. Hart examines both trend and between-country variations in non-wage labour costs through a focus on the experience of the United Kingdom, United States, Japanese and Federal Republic of Germany economies. This part of the discussion also presents institutional details of non-wage labour costs in the four economies, a description that is both essential reading for labour students of those countries and useful generally for those of us who believe that these costs are easily categorizable.

Of broader interest is the breakdown of non-wage labour costs into their various analytic components. These include exogenous (imposed by government) and endogenous (offered voluntarily by firms), and cyclical and trend categories. There are both measurement and behavioural implications of these distinctions, and much of the remainder of the book is concerned with the latter.

Various models may be used to explain the existence of endogenous non-wage labour costs, and while Hart does not commit himself to any one of these, an important point is that they all reject the notion of homogeneous labour. The best-known explanation derives from human capital theory in which non-wage labour costs are used by agents to help insure against labour turnover. This perspective recognizes the hiring and training costs implicit in the firm–worker relationship and, consequently, the desirability of maximizing firm-specific employment duration. Models of this genre (and there are several, including the original Oi/Becker and Okun's toll hypotheses) treat some fringe payments (such as non-vested pension schemes) as carrots only to be consumed by workers remaining with the firm for some time. Hart, however, questions this interpretation on the grounds that worker-shares of specific investments and wage returns should be sufficient to minimize turnover. It is arguable that his position gives insufficient weight to the possibility of worker risk-aversion (although the role of uncertainty is acknowledged). In such a world, explicit (or implicit) guarantees of fringe benefits may be of substantial utility to workers above and beyond expected wage streams. Hart's analysis would have been enriched by an exploration of early implicit contract models.

A second model designed to explain the existence of endogenous non-wage labour costs has more of an industrial relations flavour. It is the view that workers may prefer fringe benefits to higher wages (due, for example, to the associated lower marginal tax rates) and are more likely to attain them through collective bargaining. This perspective implies a positive correlation between unionization and non-wage labour costs. The collective bargaining story cannot explain all, however, because of the existence of fringes in nonunionized firms and the tendency of highly unionized countries to have relatively low levels of non-wage labour costs.

Although Hart elucidates the major conceptual and analytic frameworks of relevance to an integration of non-wage labour costs into labour market modelling, he falls short of committing himself to a particular perspective. While this is an understandable precaution in an area that is very much under-researched, there are important statements to be made about the inadequacies of current labour research that ignore non-wage labour costs. Two examples he misses are noteworthy. First, the recent preoccupation of applied econometricians with the earnings function is unfortunate in a world characterized by substantial non-wage labour costs. Experience and schooling coefficients estimated from these models are probably too low as representations of the return to human capital investments, simply because fringes are likely to be positively associated with skill, tenure and observed wages. Further, these relationships are likely to differ across demographic groups, implying that analysis of remuneration differences between groups using the earnings function will be inaccurate in the absence of fringe data. Second, estimates of the elasticity of labour demand to changes in real wage rates will be inappropriate if a systematic relationship exists between wage change and non-wage labour costs change. That is, for example — and of considerable relevance to contemporary Australian macroeconomic policy — if workers are able to achieve fringe increases as compensation for lower real wage growth, exclusion of these increases will result in an overstatement to the firm of the benefits of wage restraint.

The above possibilities are only two of the many implications arising from the existence of non-wage labour costs. Hart has done us a service through the presentation of an informative and lucid analysis that should lead to further insights into the nature and workings of labour markets.

Australian National University BRUCE CHAPMAN

PUBLIC SECTOR ADMINISTRATION: NEW PERSPECTIVES

Edited by Alexander Kouzmin. Longman Cheshire, Melbourne, 1983, xv + 329 pp, $15.95 (paperback)

I was immediately enamoured of this volume when, on perusing its contents, I noticed a rèference to William Lazonick, whose historical insights into the British labour process have unfortunately been largely overlooked by Australian scholars. On further reading, I found that this collection had much to commend it. It fills a long-standing void in Australian public administration literature because it provides an alternative perspective on a variety of issues both traditional and contemporary. The ten contributions, eight of which were commissioned for the collection, are divided into three sections, which the editor sees as constituting three distinct analytical levels. The first deals with the political-economic context of public administration, the second with the individual actor within political-administrative contexts, and the third with technology.

It is perhaps unfortunate that the first chapter is Stewart Clegg's contribution. While his scholarship is unquestioned, he says little new here and his

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