

Industrial & Labor Relations Review

Volume 60, Issue 1

2006

Article 85

The Face of Decline: The Pennsylvania Anthracite Region in the Twentieth Century

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team production), it is less clear how or if these imperfections matter. Garibaldi has heightened the reader's sensitivity to the potential importance of labor market imperfections, but at the same time he is not always clear in identifying where they matter and where they do not. When they are not mentioned, the reader is left wondering whether it is an oversight or whether the issues at hand do not depend on whether labor markets are perfect or imperfect.

Most of the text is concerned with explaining models and intuition and describing empirical studies. Garibaldi does a good job of this, and the exposition is well organized and clear. At the same time, I think the text would have been even more engaging if the author had made his opinions and perspectives more visible. For instance, Garibaldi could have offered his own critical evaluation of the various research studies rather than simply laying out their methodologies and conclusions.

While the text incorporates some numerical examples that are pedagogically useful, it does not always make clear which results are driven by particular assumptions and which are more robust. This issue is perhaps most noticeable in the discussion of incentive pay, where, for example, the utility function is specified with a quadratic effort cost function. Nowhere is it mentioned that the key results concerning the optimal piece rate do not depend on this particular functional form but only on the strict convexity of the effort cost function. Other results are in fact driven by particular assumptions, and the reader is not always alerted to this. For example, on page 99 we see the following seemingly general claim: "When non-negative payments are ruled out, the optimal commission scheme is the 50 per cent commission rate." This dictum is recapitulated on the opening page of Chapter 7 in the context of a general discussion: "The previous chapter has shown that the optimal franchising contract turns into a 50 per cent commission rate as soon as negative payments are not allowed." Students will, I hope, be surprised to see an exact number like "50 percent" appearing in a general result on incentive pay!

I found the discussion of incentive pay somewhat misleading in another respect, since it seems to suggest that a law or custom prohibiting workers from "buying a job" from the firm will reduce profits. I think Garibaldi overstates the significance of such constraints, as in the following comment on the optimal piece rate with risk-neutral principal and agent: "Yet, we know that such a scheme is hardly attainable in real life labour markets, since it requires the worker to pay for the job" (p. 107).

In fact, a simple draw scheme eliminates this problem. A draw scheme compensates a worker by the piece only for units of output produced beyond some threshold (that is, the wage contract is piecewise linear rather than linear), so that the worker implicitly pays the firm for the job. Such schemes are often observed in practice and yield the same first-best allocation as the optimal piece rate even though the worker does not explicitly pay the firm for the job.

I also think that the discussion of incentive contracts could have benefited from closer examination of two subjects. First, Garibaldi says little about problems with piece rate pay. Although he briefly mentions the issues of risk and output measurability, there is no discussion of quality control until the few sentences at the bottom of page 127. Second, and very important, the book gives short shrift to multi-tasking, which has been central to discussions of agency theory in recent years. The broad point is that the reader leaves this discussion with an inadequate appreciation for the downside to pay-for-performance schemes.

Overall, I believe this text is a valuable contribution to the pedagogical literature in personnel economics. It could make an effective text for a course focusing on personnel economics in imperfect labor markets or as a supplementary text in a more general course in labor or personnel economics. The book will also be of value to anyone with a research interest in personnel economics in imperfect labor markets.

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Historical Studies

The Face of Decline: The Pennsylvania Anthracite Region in the Twentieth Century. By Thomas Dublin and Walter Licht. Ithaca, N.Y.: ILR Press (an imprint of Cornell University Press), 2005. 277 pp. ISBN 0-8014-3469-6, \$65.00 (cloth); 0-8014-8473-1, \$24.95 (paper).

The authors of this work need no introduction to labor historians. Both writers are well known for their imaginative, carefully researched studies of labor markets and, especially, the social relations of labor markets, and the present study is in that tradition. The book contains an introduction, eight chapters, and eight appendices, along with a stunning bibliography. It can be seen as the

context for the interviews and photographs in Dublin's earlier *When the Mines Closed*. The book reflects a wide reading of the secondary literature on the anthracite industry, much research into the relevant archives and other primary sources, and oral histories conducted by the authors.

Creative destruction, Schumpeter insisted, was the essence of capitalism, yet both historians and economists have mostly investigated capitalism's creative side. As its title reveals, the subject of this book is the wreckage left by economic change. The authors' thesis is that the decline of anthracite also reflected many institutional and policy failures—an argument I do not find entirely persuasive, as I will argue below.

The first two chapters sketch the rise of anthracite and break no new ground. We learn of the growth of railroad domination, mass immigration, mining dangers, labor disputes, and community efforts to attract silk mills to the region. There is a lengthy discussion of workers' economic insecurity that would have benefited from comparison with other industries and regions. The industry was at its peak from about 1900 through World War I. The authors chronicle the great strikes, child labor, and ethnic fraternal associations. Dublin and Licht trace the beginnings of decline to the rise of competing fuels and the difficulties of mechanization. Without much evidence, they also argue that the strike of 1925-26 contributed to the speed of the decline.

For me, the most interesting aspect of this work is its analysis of the anthracite miners' New Deal. As the authors note, for most of us "the labor history of the 1930s is the story of the CIO" (58). Yet the anthracite communities reveal a richer, more complex response to the economic collapse, including work sharing, an insurgent movement within the United Mine Workers (UMW), and coal bootlegging, each of which reflected local peculiarities. For example, Lehigh Coal & Navigation (LC&N), the dominant producer in the Panther Valley, responded to the Depression by beginning to consolidate, shifting work to the lowest-cost operations. The miners opposed this work-shifting as inequitable. After much conflict and many wildcat strikes, an Equalization Committee emerged with strong local support within the UMW. By 1933 it was allocating work among LC&N's properties.

The authors believe that the success of work equalization in this case reflected local peculiarities—a single producer in a small region with strong ethnic and community ties. In the northern anthracite field, which was much more socially diverse with many more producers, equalization efforts failed, leading instead to dual unionism and

sharp splits between employed and unemployed miners. In the middle and southern fields the Philadelphia & Reading Coal & Iron Company dominated, and as it shuttered collieries, coal bootlegging on company property emerged. Company and official efforts to suppress it ultimately led to a complex state cartel scheme, but it was probably World War II demand that ended bootlegging.

War brought relief to the anthracite regions in other ways as well: it stimulated out-migration and widened the horizons and opportunities of many service men. But decline set in again in 1945, and as the authors tell the story, neither capital nor labor responded to the challenges. In 1954, amid strikes and recriminations, LC&N closed its mines for good. While some have blamed labor for the company's demise, the authors emphasize corporate failures in the form of "financial machinations" (89) as a New York investment bank bought into the company and began to dismember it. Glen Alden Coal also became a favorite of speculators, eventually leaving coal to become a conglomerate, while other producers suffered similar fates. For the authors, the role of finance capital is central to this story. In the good old days, we are told, financiers "had a vested interest in the region's economic well being" (99), while after World War II they aimed at improving share value. Yet this confuses cause and effect; earlier financiers were certainly unsentimental about abandoning western gold and silver mining communities that became unprofitable. It seems more accurate to say that economic health led to vested interest rather than the reverse. And as the authors demonstrate, various subsequent efforts to mine these properties met with almost uniform failure.

The authors are even more critical of the UMW. While the welfare and retirement benefits that the union negotiated in 1947 were indeed a path-breaking development, they were funded by coal royalties, and as anthracite declined, so did benefits. Moreover, as is well known, the UMW essentially looted the fund, even as it curried employer support by opposing the mounting campaign for black lung benefits. Worse was to follow, and as the authors detail, by the 1950s the UMW "was overwhelmed by the venality and criminality of its district and national officers" (113).

Several chapters detail the response to anthracite's decline by communities, by governments, and by individual miners and their families. As usual, redevelopment efforts have been mixed, as the authors exhaustively detail. They seem to agree with critics that such community development programs often amount to an "economic war among the states" (134), but one wishes they had done

more to compare the programs in anthracite regions with other community revitalization efforts. More interesting are their chapters on individual responses that are based on census IPUMS (Integrated Public Use Microdata Series) data and their own interviews. These differ from the interviews in John Bodnar's *Anthracite People* (1983) in two ways. The present volume focuses on the period after the mine closed, and it employs more social science methodology, including charts, tables, and statistical tests. However, the tables on which much of the discussion is based are in the appendices; placing them in the chapters would have made for easier reading. Most of the findings are predictable, for many of the changes they depict were broadly characteristic of declining regions and sometimes of American society during these years (out-migrants were comparatively young and well educated; married women increasingly entered the labor force; unemployed men did "women's work" around the house; children became more educated than their parents). One interviewee makes two arresting points: his father would not let him go into the mines, and the "best thing" that ever happened to him was the Korean war. The decline of anthracite may have been destructive, but the loss of such hard and dangerous work is surely a mixed tragedy.

In the last chapter of the book, on the legacies of anthracite, the authors focus on the abandoned mine sites and declining communities. They return to what they see as institutional failures to deal with these issues, but many readers may take issue with their analysis. They lament that the lack of strip-mine redevelopment has led communities to employ old sites as landfills. But such a choice raises a host of questions they do not address. Since we have a shortage of waste sites and a surplus of farmland, are landfills really a poorer use of old mines than restoring them to farmland, as the authors claim is done in Britain? Their view that public policies in Britain, Belgium, and elsewhere have addressed the problem of industrial decline more effectively than have American institutions may be correct, but their analysis is too brief to be convincing and, as noted, it raises a host of policy questions.

Overall, although I find some of the analysis unpersuasive, this is a marvelously researched, compelling portrait of some of the social costs of economic change. It should be of interest to a broad audience of labor and social historians and economic historians as well.

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Economic and Social Security and Substandard Working Conditions

The Experience of Retirement. By Robert S. Weiss. Ithaca, N.Y.: ILR Press (an imprint of Cornell University Press), 2005. xii, 293 pp. ISBN 0-8014-4406-3, \$45.00 (cloth); 0-8014-7252-0, \$18.95 (paper).

Thanks to the postwar demographic bulge and an approximate 20% increase in average life expectancy since the end of World War II, an unprecedented number of individuals are now leaving the labor force permanently. During their working years, as the author of *The Experience of Retirement* points out, much of their day-to-day life was structured by their employment. In many cases, it may be added, even much of their non-work personal and family activities were work-related, such as company-sponsored athletic teams, hobbies, family picnics, and vacation facilities. The broad question implicitly addressed by this study is how individuals are replacing that structure during the last phase of their lives, designated as retirement. On its own terms the overall result of the inquiry is interesting and largely successful.

The author, a sociologist, motivated in part by the wish to understand his own retirement, found the resources to conduct a study of other similar retirees. Drawing from the voter lists of six suburban Boston communities, Weiss assembled a mostly random sample of 89 middle-class, still-employed individuals over sixty years of age. He makes no claim that this group is representative of the universe of retirees. The sampled individuals are well above average in education—broadly defined, nearly three quarters of them held professional or semi-professional jobs before retirement—and, compared to the elderly population at large, most of them are very likely better off financially and have different interests.

No hypotheses were being tested in the course of the study. The intention only was to interview the sample members both before retirement—to find out plans and expectations—and again in retirement, without prior notions about responses. Only about half of the sample, for various reasons, could be interviewed prior to retirement, however, and thus many of the "pre-retirement responses" were retrospective and perhaps tempered by the actual experience. The interviews appear to have been open-ended, though the substance of the book's chapters suggests the kinds of questions that were asked. Interviewees are identified by occupation but