

This book is an exemplary empirical investigation of working-class stratification by one of America's foremost industrial sociologists. Form's comparative analysis of France and the United States, in particular, provides a model of the kind of cross-national analyses that are needed to further our understanding of systems of economic and social stratification. Because of the clarity of his writing and argumentation, combined with controversial arguments such as his thesis that industrialization increases working-class heterogeneity, the book will inevitably stimulate debate. One might question, for example, his including self-employed persons in the working class, and his excluding white-collar employees from this group. If disagreements over such matters spark empirical research, Form will have achieved a key goal stated in this book: to launch quantitative studies of working-class stratification.

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*Work and Industry: Structures, Markets, and Processes.* By Arne L. Kalleberg and Ivar Berg. New York: Plenum, 1987. xviii, 244 pp. \$24.95 U.S. and Canada, \$29.95 other.

The past decade has witnessed growing research interest in the organization of work and of industry. Although increases in international trade and competition have had something to do with this research trend, a more important factor has been the emergence of new conceptual apparatuses. Much of the recent research works out of a more microanalytic, comparative institutional, and interdisciplinary orientation than was previously employed. Both sociologists and economists have contributed to this development.

*Work and Industry* serves notice of the changes to which I refer and helps further to transform the dialogue. The authors survey and critically assess an enormous literature. Although the sociology literature is understandably featured, Kalleberg and Berg draw also on the relevant studies in economics and political science, and introduce observations both from the law and from research on comparative

systems. The result is an important book with lasting significance.

The authors' approach to the study of work organization rests on the assumption that "the ultimate causes of work structures are the various *markets* within which exchanges take place and the political processes that determine the mix of market and nonmarket initiatives in a society" (p. 4). They further observe that previous studies of these matters have "been conducted at many different levels and units of analysis" (p. 4). Following a critical examination of these piecemeal studies, they propose a synthesis.

Rather than assume that work structures are given or are the product of univariate logics (of which class, occupation, organization, and industry are candidates), Kalleberg and Berg favor a multivariate approach. Specifically, they urge that work organization be examined with reference to six key work structures—nation-states, industries, business organizations, occupations, classes, and unions—and argue that these work structures derive from four types of markets—capital, product, labor, and resource. Implementing this model requires a microanalytic point of view: "It is necessary to specify in detail the attributes of work structures and thus the dimensions along which they differ" (p. 63). They also argue that "future research on work and industry [needs] to be more explicitly comparative" and that researchers should make greater allowance for the "growing importance of political markets and interest groups" (p. 221).

Among the comparative observations of special interest regarding nation-states are the differences between the United States and Europe with regard to class consciousness and aristocracy (pp. 75–77) and the ramifications these differences have had for labor organization (p. 122). Also notable are the comments on Japanese labor organization, which the authors examine in a more skeptical way than has recently been customary (pp. 116, 166).

This is an ambitious book. The authors succeed better, I think, in providing an informed resource regarding labor organization and in critiquing the literature than they do in developing the synthesis to which they aspire. Although I am persuaded that a comparative, microanalytic approach to labor organization is needed, I do not think that our current understanding of the issues is sufficient to support a synthesis in which six key structures and four markets are joined in an interactive way. This is not to say that a synthesis is not needed or that the factors Kalleberg and Berg propose to join are not

germane. Rather, an attempt at synthesis at this juncture is simply premature.

Inasmuch as Kalleberg and Berg indicate that their book would have read differently had they had access to my recent book, *The Economic Institution of Capitalism*, I will use this opportunity to sketch what I regard as the key features of the transaction cost economics approach to the study of labor organization. These are: (1) economizing, in the sense expressed by Frank Knight, is held to be the “main case” (to which alternative main case orientations—class, monopoly power, and so on—should be compared); (2) a viewpoint that can help to inform all approaches to the study of economic organization is that of “incomplete contracting in its entirety”; and (3) economic organization is always and everywhere beset by intertemporal process features, which must be included in the analysis.

Whereas economists and sociologists were once studying very different phenomena, transaction cost economics now has them operating on some of the very same terrain. So as better to appreciate the strengths and weaknesses of alternative approaches, I suggest that each main case candidate—economizing, class, monopoly power, and so on—be asked to show its hand. What distinctive predictions does each make? What do the data reveal? To be sure, each main case theory is necessarily embedded in a socio-economic context, the influence of which is responsible for added predictive content. I would treat these contextual features as qualifications to and refinements of each main case hypothesis.

An advantage that is sometimes ascribed to economics in relation to the other social sciences is that it works out of a more fully developed systems orientation. This orientation is what I refer to in the phrase “contracting in its entirety.” But inasmuch as economics is sometimes given to excesses of hyperrationality in working out of this framework, I use the prefix “incomplete” to restore perspectives.

Incomplete contracting in its entirety may appear to be a contradiction in terms. It is not. The first part (*incomplete contracting*) follows immediately upon supplanting hyperrationality by bounded rationality. Although this concession to the limits of cognitive competence vitiates the mechanism design and related complete contracting setups favored by many economists, transaction cost economics accommodates the incompleteness of contract by expressly dealing with *ex post* governance. This consideration brings me to the second part. What *contracting in its entirety* means is that parties to a contract will be cognizant of

prospective distortions and of the needs to (1) realign incentives and (2) craft governance structures that fill gaps, correct errors, and adapt more effectively to disturbances. Prospective incentive and governance needs *will thus be anticipated* and thereafter “folded in.”

The need to make allowance for process effects is where sociology has the most to offer to the contractual approach sketched above. Process analysis introduces intertemporal features of an unanticipated (and often dysfunctional) kind. These features are frequently very subtle and require “antennae” that are distinctively associated with training in sociology. The analysis of process (history, embeddedness, networks, and the like) is crucial to an accurate assessment of the comparative strengths and weaknesses of alternative forms of work organization. Economists have much to learn from sociologists on such matters.

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*The Responsive Workplace: Employers and a Changing Labor Force.* By Sheila B. Kamenman and Alfred J. Kahn. New York: Columbia University Press, 1987. xi, 329 pp. \$35.00 cloth.

As the authors of this book point out in their preface, “society has changed, work has changed, families have changed, and the work force has changed.” In support of their conclusion that “therefore, the workplace should change, too,” they provide a great deal of documentation. Though they recognize that government needs to play some role in bringing about change, their primary emphasis throughout the book is on what *business* can and should do in order to be responsive to personal and family needs, how little it is doing, and how it could be induced to do more.

The stated goals of the book are, first, to describe existing problems, who is covered by programs that help to mitigate those problems, and how adequate coverage is; and, second, to evaluate the pros and cons of the wide variety of programs that have been employed in this country and elsewhere. Both these aims are carried out with competence and great thoroughness. What is missing is a careful examination of economic factors that help to determine