

Human Resource Economics and Public Policy

**Essays in Honor of
Vernon M. Briggs Jr.**

Charles J. Whalen
Editor

2010

W.E. Upjohn Institute for Employment Research
Kalamazoo, Michigan

1

Introduction

Charles J. Whalen

Utica College and Cornell University

A few weeks before the start of his senior year at the University of Maryland in September 1958, Vernon M. Briggs Jr. took an all-night drive to visit his college roommate's home in Detroit, Michigan. Arriving with his roommate in downtown Detroit at daybreak, Briggs saw "several blocks where the sidewalks were absolutely filled with people." He recalls:

I couldn't imagine what they were all doing standing there at this early hour. As we drove further, we came to the building that they were waiting to open. It was an office of the Michigan Employment Commission. The people were lined-up to register for unemployment compensation. I'd never seen unemployed people face to face before. These were not statistics; they were human beings and they were all out of work (quoted in Rohe 2006, p. 228).

Briggs describes the moment as "a life-altering experience." Returning to College Park to complete his undergraduate program, Briggs made a decision to concentrate on labor economics. As he explained in an interview in 2006, "It is the one sub-field of economics that deals directly with people and their wellbeing" (quoted in Rohe 2006, p. 228).

Within a year, Briggs was back in Michigan. This time, he was a graduate student at Michigan State University in East Lansing. Senator John F. Kennedy came to Michigan State during the 1960 presidential campaign and delivered an inspirational speech from the steps of the Student Union Building. "I was there, probably not more than 30 feet from him," Briggs recalls.

A short time later, President Kennedy called on Americans to serve their country—and public-service television advertisements suggested college teaching as one important avenue of service. "It may sound very idealistic today," says Briggs, "but I decided to answer Kennedy's chal-

lenge by becoming a college teacher. I have never regretted it” (quoted in Rohe 2006, p. 230).

Today, Briggs is an Emeritus Professor of Industrial and Labor Relations at Cornell University in Ithaca, New York. He began his teaching career while still a graduate student at Michigan State and then moved on to full-time positions at The University of Texas at Austin (1964–1978) and Cornell University (since 1978).¹ In Austin, he received two coveted teaching awards, and there and at Cornell, Briggs shared with countless students his passion for human resource economics and public policy.²

This book honors Briggs’s professional contributions. Most of the volume’s contributors, including this editor, first encountered Briggs in the classroom, either at Texas or Cornell. That is appropriate, of course, because despite his tremendous productivity as a scholar and extensive involvement as a policy analyst, he has always viewed himself as a teacher. Yet the book would be incomplete without contributions from his colleagues as well, and the pages that follow include one chapter by a university colleague who collaborated with Briggs on a number of labor economics projects and another by a professional associate specializing in immigration research.

ECONOMICS FOR THE REAL WORLD

Chapters 2 and 3 examine the development and contours of Briggs’s institutional labor economics. Before preparing Chapter 2, William P. Curington, who was inspired to become an economist by Briggs, turned the tables on his University of Texas professor and engaged Briggs in a series of interviews to explore his influences. The resulting chapter traces Briggs’s intellectual development from College Park to Ithaca. A number of important influences appear at each stop along the way, including Alan G. Gruchy, a major contributor to the institutionalist tradition; Charles C. Killingsworth, who introduced Briggs (his teaching assistant) and the nation to structural unemployment in the early 1960s; and Ray Marshall, Briggs’s Texas colleague and research collaborator. Yet we discover that Briggs also learned from his students. Indeed, it

was his Mexican-American students that encouraged Briggs's study of rural labor markets and U.S.–Mexico border issues, which led to his research focus on immigration policy.

Chapter 3—written by the editor, a student of Briggs at Cornell—continues to highlight Briggs's real-world economics. It traces and outlines Briggs's conception of a policy-oriented, human resource economics (HRE) that emerged in the United States and other industrial democracies just after World War II. This HRE received considerable attention from economists and national policymakers for about two decades, until its associated policies were put on the fiscal chopping block during the Reagan–Bush era—and then, due to federal deficit concerns, largely ignored during the Clinton era and beyond (Greider 1981; Thomas 1997).

My chapter shows that, even when the political winds were solidly against him, Briggs continued to forcefully make the case for a revival of active human resource development initiatives. Briggs argued that the nation would likely “pay a high price” for its failure to support human resource development (Briggs 1987, p. 1218), and looking back at a decades-long trend of rising worker insecurity and inequality, it is difficult to disagree with him (Whalen 2008). Moreover, while the United States dragged its feet, China and a number of other nations sought to advance by securing their position as a “knowledge” economy (Grewal et al. 2002; Kao 2007, pp. 83–91).

At the time I am writing this introduction in early 2009, a new U.S. presidential administration is coming into office in the wake of a campaign that gave renewed attention to human resource development. Thus, there is some reason to be hopeful. Yet it remains to be seen whether President Barack Obama and his team will succeed at revitalizing U.S. human resource policies.

IMMIGRATION POLICY

Chapters 4 through 7 are devoted, at least in part, to some aspect of immigration. Philip L. Martin, a distinguished scholar in the field of labor migration, opens the section with a broad examination of the di-

mensions and impacts of contemporary international migration. Topics addressed include the factors contributing to immigration, government efforts to manage it, and trends in the international migration to the United States. Special attention is given to immigration's labor-market effects and to policy trade-offs. As Martin indicates in the introduction to his essay, its topics "are among those that figure most prominently in Briggs's policy-oriented writings."

Larry Nackerud, another of Briggs's students at Cornell, focuses on political refugee and asylee policy. Noting that Briggs wanted immigration policy to be driven by three considerations—economic accountability for each entry decision into the United States, neutrality with respect to political ideology, and societal equity—Nackerud considers the extent to which this is possible. Nackerud is not as sanguine as Briggs about the possibility, or even the desirability, of using these three considerations as a foundation for policy, but he offers a sympathetic assessment of the Briggs position and makes a number of constructive suggestions that advance the position by means of clarification and extension.

Ernesto Cortés Jr. is the only contributor to the volume who has devoted himself entirely to the world of practice, rather than to a career in the academy. For most of the more than 40 years since he attended Briggs's University of Texas classes, Cortés has worked to build community organizations, especially in the Southwestern United States. Still, as Cortés writes, Briggs's insights echo in his work every day—and Briggs's economics has always been about moving beyond theory and into the realm of action and concrete problem solving.

Cortés addresses two subjects—training and immigration. In discussing training, Cortés explains that his organizations have relied on Briggs's ideas and input when establishing labor-market training intermediaries. In discussing immigration, Cortés outlines a policy stance that diverges from the one held by Briggs, yet he acknowledges that it still remains fully in the Briggs tradition, which gives special attention to unintended consequences and issues of practical policy implementation.

Among the points made by Cortés is that immigration policy should be considered as part of a broader discussion that includes attention to international economic-development policies. This view is developed

further in Chapter 7 by James T. Peach. According to Peach, who was also a student of Briggs in Austin, traditional approaches to immigration should be augmented by policies that accelerate economic development within migrant-sending nations. Such policies would be not only compatible with the Briggs immigration strategy, but as Peach notes, also consistent with Briggs's recommendations for over three decades.

LABOR MARKETS

Chapters 8 and 9 examine labor markets and worker well-being. Marta Tienda—who audited Briggs's courses in Texas and co-edited a book with him in the 1980s—teams up with V. Joseph Hotz, Avner Ahituv, and Michelle Bellessa Frost to report on the labor-market experience of women in Chapter 8.

Tienda and her colleagues study the education and employment patterns of young black, white, and Hispanic women in the United States between the late 1970s and early 1990s. (At the start of the period examined, the women were aged 13–16, and at the end of the period, they were aged 28–31.) The chapter sheds light on how women's investments in education and work experience—and their family formation choices—vary along racial and ethnic lines. It also considers the implications of these differences for workforce behavior and adult wage inequality, as well as the sensitivity of young women's labor-force decisions to local labor-market conditions.

A notable finding of Tienda, Hotz, Ahituv, and Frost is that young women enjoyed a substantial wage return for acquiring college degrees but none for completing high school or obtaining its GED equivalent. As they note, this is consistent with numerous studies indicating rising returns on skill during the 1980s. That finding—and another that suggests life-cycle earnings are optimized by “maximizing formal schooling before acquiring work experience”—is also consistent with Briggs's longstanding belief in the importance of human resource development in an age of increasing technological complexity and economic internationalization.

In Chapter 9, Seth D. Harris, a Briggs student from Cornell, focuses on the employment of people with disabilities after the enactment of the Americans with Disabilities Act of 1990. Harris suggests the importance of human capital investments as well, but he also underscores another theme of Briggs's writing and teaching: the persistence of discrimination and the need for government regulation to ensure equal employment opportunity for all workers. By unmasking the faulty assumptions that have misdirected the debate over the economics of workplace disabilities accommodation, Harris seeks to get the debate back on the right track to include attention to matters such as educational opportunities and attainment, job discrimination, and the availability of employee health insurance.

PUBLIC POLICY

The book concludes with two chapters that look at broad and vital parts of the public policy terrain. In Chapter 10, Ray Marshall, Briggs's Texas colleague and collaborator, focuses on the need to modernize the nation's education and workforce-development policies and institutions. The discussion is based on his work with the bipartisan Commission on the Skills of the American Workforce in the late 1980s and the New Commission on the Skills of the American Workforce in the mid 2000s. Marshall calls for far-reaching, systemic changes in the nation's learning systems in the face of what he describes as serious and growing economic difficulties that threaten the nation's ability to restore broadly shared prosperity. His chapter underlines the important human resource problems and policies that Briggs has been discussing for decades and further confirms Briggs's prediction that the country would pay a high price for inaction.

Robert W. Glover and Christopher T. King, who both studied with Briggs in Austin, bring the volume to a close in Chapter 11 by complementing Marshall's contribution with an examination of existing labor-market policies and a discussion of the new policies that are required to address the current situation. Like Briggs and Marshall, Glover and King stress the need to rethink U.S. labor-market policy for

a global economy. They focus on a new direction for such policy, one involving sectoral approaches that connect workforce- and economic-development strategies at the regional level.

PEOPLE AND THEIR WELL-BEING

It has been just over a half-century since Vernon Briggs's life-altering experience in downtown Detroit. In the intervening years, he has in turn altered the lives of many others and, by example, has even encouraged some to follow his footsteps into a career of service through college-level teaching. Economics is often criticized for being overly abstract and out of touch with the real world, but as long as there are labor economists drawn to the profession by Briggs and others like him, there will always be at least one sub-field that "deals directly with people and their well-being."

Notes

1. Briggs also taught at Michigan State University (as a visiting associate professor) in the summer of 1969 and at the John F. Kennedy School of Government at Harvard University (in the Institute for Employment and Training) during the summers from 1972 to 1981 (Briggs 2008).
2. Briggs won a teaching excellence award from the University of Texas student yearbook in 1971 and another from the university's College of Arts and Sciences and the Ex-Students Association in 1974 (Briggs 2008). Consistent with his modest nature, Briggs never mentioned these awards (or having been elected student government president as a senior at the University of Maryland) during extensive interviews with William P. Curington as part of this book project. It should also be noted there is really no need to add "and public policy" when discussing human resource economics from Briggs's vantage point; as I discuss later in this volume, public policy is an inherent part of his human resource economics.

References

- Briggs, Vernon M. 1987. "Human Resource Development and the Formulation of National Economic Policy." *Journal of Economic Issues* 21(3): 1207–1240.
- . 2008. "Curriculum Vitae for Professor Vernon M. Briggs Jr." Ithaca, NY: School of Industrial and Labor Relations, Cornell University. http://www.ilr.cornell.edu/directory/vmb2/download/vita/vita_vmb2.pdf (accessed June 26, 2009).
- Greider, William. 1981. "The Education of David Stockman." *Atlantic* 247(12): 27–54. <http://www.theatlantic.com/politics/budget/stockman.htm> (accessed February 14, 2009).
- Grewal, Bhajan, Lan Xue, Peter Sheehan, and Fiona Sun. 2002. *China's Future in the Knowledge Economy: Engaging the New World*. Melbourne: Centre for Strategic Economic Studies, Victoria University of Technology.
- Kao, John. 2007. *Innovation Nation: How America Is Losing Its Innovation Edge, Why It Matters, and What We Can Do to Get It Back*. New York: Free Press.
- Rohe, John F. 2006. "Living Standards, Scarce Resources and Immigration: An Interview with Labor Economist Vernon M. Briggs Jr." *Social Contract* 16(4): 227–236.
- Thomas, Evan. 1997. "Inside the Beltway but Out of the Loop." *New York Times*, April 27, 7:8. <http://www.nytimes.com/books/97/04/27/reviews/970427.27thomast.html> (accessed February 14, 2009).
- Whalen, Charles J. 2008. "Post-Keynesian Institutionalism and the Anxious Society." In *Alternative Institutional Structures: Evolution and Impact*, Sandra S. Batie and Nicholas Mercuro, eds. London: Routledge, pp. 273–299.