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Looking for Work, Searching for Workers: American Labor Markets During Industrialization

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Market integration is a central feature of modern economic development. In very small countries, market integration refers mostly, or fully, to external trade. But in large countries such as the United States, market integration also proceeds—or does not—from within.

Looking for Work focuses on the formation of a national market for labour in the United States. Previous work on the evolution of labour markets has generally used a simple labour demand-supply framework. This framework is central to Rosenbloom's book, but he goes beyond the black box to focus on the institutions that matched workers to employers. His central point is that the relevant institutions worked much better at allocating workers within the North or South than across the Mason-Dixon line until well into the twentieth century.

Looking for Work is divided into an introduction, five substantive chapters, and a conclusion. Following the introduction, Chapter 2 presents evidence that workers found jobs largely through "family and friends." The family and friends connection is not news; the novelty is Rosenbloom's contention that employers were far from passive participants. Employers actively encouraged their workers to recommend their family and friends, and when that failed, they took pro-active steps, engaging labour agents for example. The chapter also compares labour markets in the South and the North after the Civil War, noting the persistence of "low-wage" labour in the South in the face of better-paying jobs in the North.

Although many, perhaps most, workers found jobs through the "family-and-friends" connection, others were not so fortunate. Chapter 3 examines a substi-

tute source of "matching" between workers and firms, private and public agencies. Of the two, private agencies appear to have been more successful, operating in all parts of the country and in relatively large numbers in major cities. Chapter 4 speculates that the spread of the factory system was partly induced by the difficulties that firms faced in recruiting skilled labour.

Chapter 5 studies labour market integration across regions and cities after 1870. The data are drawn from published government compilations of occupational wages, and from the census of manufactures, which yields estimates of average annual earnings of adult male workers. As already noted, the general finding is one of market integration within the North and the South, but not much evidence of convergence between regions.

Chapter 6 ("Labor Market Integration and the Use of Strikebreakers") is the most innovative. The data consist of information on strikes occurring between 1881 and 1894. At issue is whether or not "replacement workers"—strikebreakers—were brought in. The data analysis in this chapter is at a level far removed from the rest of the book, and some non-economist readers may have a very hard time with it. The likelihood of using strikebreakers does not appear to have varied across locations, but, conditional on doing so, the number of replacement workers did vary with city size. The data also allow Rosenbloom to investigate whether strikebreakers were hired locally, but the precise meaning of "local" is not fully clear. Rosenbloom finds that the tendency to recruit outside workers was greater in rural areas and in the Northeast.

The book has a number of virtues and a number of faults. Rosenbloom writes very well, with an easy, graceful style, and he has a knack for the telling anecdote. Another virtue, an important one, is the relentless focus on markets. Much labour history focuses on workers in a single establishment, industry, or city. Such studies can be highly misleading about the functioning of labour markets because the behaviour of workers or employers in one location cannot (necessarily) be separated from the behaviour of others elsewhere. If historians take away this one idea, Rosenbloom will have scored a major intellectual triumph.

The faults, however, are significant. The data are fairly shopworn and the data analysis, with one exception (Chapter 6) is very limited. Chapter 4, for example, rests partly on post-bellum indices of skilled and unskilled wages prepared by scholars other than Rosenbloom, notably Jeffrey Williamson and Peter Lindert. Williamson and Lindert's ante-bellum indices have been subjected to trenchant and far-reaching criticism. The post-bellum series may be equally fragile, but one cannot tell from this book. A similar complaint applies to Chapter 5, which would have benefited from fresher data and some rudimentary regressions estimating, for example, how quickly wages in a particular location adjusted to shocks of various types.

The underlying economics becomes fuzzy at times. Consider Chapter 2, which highlights the "failure" of Northern and Southern labour markets to integrate. Rosenbloom attributes this failure to the role played by family and friends in the job-matching process. Many of these networks were ethnic based and immigrants, we all know, avoided the South. The problems with the argument are three. First, the argument is not novel, having been made years ago by Gavin Wright in his book, *Old South, New South*. Second, Rosenbloom does not consider alterna-

tive explanations, such as the poor quality of southern education (interregional migrants tended to be better educated than non-migrants). Third, the persistence of the low-wage South is partly the result of recurring shocks. As Rosenbloom notes, the work of this reviewer has established that the low wage South emerged before the Civil War. However, what Rosenbloom does not emphasize is that the southern wages were converging on northern wages in the 1850s. Wages in the South fell sharply in the immediate aftermath of the War but then began to converge until a further negative shock late in the century. As shocks go, these were pretty big ones, and there is very little evidence—certainly none in Rosenbloom's book—that demonstrates that the Southern labour market was especially slow (relative to other regions) to recover from very big shocks. I am not claiming there is nothing to the Rosenbloom-Wright story—indeed, I believe that it has some explanatory power—only that the story is now old hat and I, for one, am disappointed that Rosenbloom's treatment does not go much, if at all, beyond Wright's. Fuzzy economics also inhabits Chapter 4, I find it hard to believe that difficulties in recruiting skilled labour played anything more than a minor role in causing the transition to the factory. Lastly, the role of inter-regional trade—factor price equalization—receives short shrift in this book.

Criticisms aside, *Looking for Work* is a well-written, engaging summary of an important body of research on the evolution of American labour markets. Economic historians and labour economists will want to have it on the shelf as a convenient reference. Hopefully, labour historians will read it and take to heart its basic message that, historically as well as today, firms and workers were embedded in markets.

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