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Saul D. HOFFMAN and Laurence S. SEIDMAN, Kalamazoo, Mich.:  
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looks at "impacts on employment of new forms of organizing."

The final chapter, by Paul Sparrow, argues that generally declining security of tenure is likely to have far-reaching social consequences. Few firms seem willing to even recognize, let alone rise to, the challenges posed by the "after-shocks" of downsizing. The consequences are likely to be negative in terms of personal well being, and organizational citizenship behaviour; a likely trend is towards heightened levels of passive resistance. Sparrow concludes that firms and societies face the stark choice of rebuilding employment systems to deal with a rising "trust no one" generation, or try and reengage individuals and reconstruct trust.

The sum of the parts of this book seems greater than the whole. On the one hand, many of the contributions provide important insights into key questions surrounding the possible

convergence of practices and the implications for this within and between firms. Two chapters in particular contain a wealth of empirical detail, which sheds new light on often overly theoretical debates on the changing nature of employment systems. On the other hand, this book is marred by the rather lightweight nature of certain other contributions, and seemingly limited editorial direction. The extensive use of strategic HRM theory is both a strength and weakness; it allows for a more applied approach than typically found in the mainstream socio-economic literature, but, again, makes for a certain shallowness and eclecticism. Nonetheless, this volume is likely to be of considerable interest not only to students of HRM, but all concerned with the consequences of a global trend towards diminished security of tenure.

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***Helping Working Families: The Earned Income Tax Credit***

by Saul D. HOFFMAN and Laurence S. SEIDMAN, Kalamazoo, Mich.: W. E. Upjohn Institute for Employment Research, 2003, 245 pp., ISBN 0-88099-254-9 (cloth), ISBN 0-88099-253-0 (paper).

This book is an update and expansion (which more than doubles the original length) of Hoffman and Seidman's 1990 Upjohn Institute monograph on the U.S. federal earned income tax credit (EITC) program. Given that much expansion of the EITC program has occurred since 1990, this new version is welcome.

The book opens with an introduction and an overview in Chapter 1 of the history and basic working of the EITC. The EITC program began in a modest version in 1975, whereby a household with at least one child received a ten percent supplement on wage earnings up to four thousand dollars (for a maximum credit of \$400), followed by a phase-out range up to a household income of \$8000. By comparison, the maximum credit for 2002 was \$4140 and the maximum

phase-out point was \$34,178 (for a married couple with at least one qualifying child). Major expansion of the program occurred in 1990 and again in 1993, and the Economic Growth and Tax Relief Act of 2001 continued the expansion by, in particular, increasing benefits for married couples, for a rise in the total amount expended on this refundable tax credit (both refundable and foregone tax income) from \$1.3 billion in 1975 to a projected \$30.7 billion in 2001. In addition, about a third of the states have an EITC program, generally "piggybacking" onto the Federal EITC eligibility provisions and giving an additional percentage back of the EITC amount off state income tax (generally also refundable).

Chapter 2 discusses the characteristics of the beneficiaries of this program

and compares them to the general population, and to those under the poverty line. The authors use 1996 data from the Panel Study of Income Dynamics to simulate eligibility and credit amounts received. They estimate that about one household in seven is eligible for the EITC, with high eligibility rates for minority households and single-parent families, and that about one in five households containing married couples with children is also eligible. They characterize the EITC as a program for low and moderate-income families rather than for poor families, given that many poor families have no children or insufficient earnings to qualify, and that people with low earnings receive lower benefits. Nonetheless, about 35 percent of poor families are eligible, while nine percent of nonpoor families are eligible. Thus, the authors' simulations show that the effect of the EITC on the overall poverty rate has been small, though nontrivial (about four million persons, for a reduction of 1.5 percentage points of the poverty rate, are lifted out of poverty by this program).

Chapter 3 considers labour market effects of the program. The EITC can be viewed as a wage increase for people on the phase-in part of the schedule (with opposing income and substitution effects for workers and a pure positive substitution effect for nonworkers), a pure increase in income for people on the very small stationary part of the schedule, and a wage decrease on the phase-out part of the schedule (although still serving as a net increase in income, so it has both negative income and substitution effects on labour supply). In their summary of the relevant literature, the authors find results consistent with economic theory, including larger labour force participation than work hour effects, including decreased labour force participation among married women on the phase-out part of the schedule. The net result on total supply appears to be a rise in hours worked, albeit small relative to the total

labour supply, with no measurable accompanying change in the market wage rate.

As with the rest of the current U.S. tax code, the EITC often causes married couples to pay higher taxes/receive smaller EITC benefits than if they were single (although this effect has been mitigated beginning in 2002 through the 2001 tax legislation). Chapter 4 calculates the likely size of the marriage penalty and considers the existing literature on the question as to whether the EITC has had a marginal effect on the rates of marriage formation and dissolution (although there are cases in which dissolution would actually reduce the EITC amount, depending on who retains custody of the children), and finds little evidence of substantial effects, even though penalties are substantial for some households.

Chapter 5 compares the EITC to other antipoverty programs. The authors argue that the EITC is superior to both the minimum wage and wage subsidies as a transfer program for low-earnings households in its efficiency and minimized labour market impact, and also dominates the traditional welfare (cash transfers to poor families) and negative income tax approaches in terms of political acceptability.

Chapter 6 considers the efficiency cost of the EITC, considering not only the labour supply effects on households receiving benefits (as discussed in Chapter 3), but also the labour supply effects on taxpayers, who face higher taxes in order to pay for the increased amount of transfers that the EITC expansion represents. The authors summarize the findings of three simulation studies regarding the deadweight loss, or "efficiency cost," of the EITC, which yield a wide range for efficiency costs, ranging from sixteen cents per transfer dollar to eighty-eight cents to \$3.03 per transfer dollar. Results are sensitive to assumptions regarding phase-out rates

and other parameters, and Hoffman and Seidman argue that reducing the phase-out rate, which is one of their reform suggestions, would reduce the efficiency cost so that it would be more in keeping with the lower part of the estimate range.

Chapter 7 covers compliance issues. Post-2001 changes that simplify the eligibility guidelines will hopefully reduce the EITC error rate (often related to child financial support and residency guideline misinterpretations) below the 25-percent level of EITC payments that the IRS found in several 1990s studies.

In Chapter 8, Hoffman and Seidman outline three reforms that address three remaining perceived weaknesses of the EITC program: work disincentives in the phase-out range; the marriage penalty; and low incomes for families with three or more children. They suggest and illustrate how the phase-out rate could be reduced, a more generous schedule be provided for married couples, and an additional credit be added for a third child.

This book comprises a solid, clearly written piece of applied economic analysis. There are numerous helpful figures that show the EITC schedules and marginal tax rates graphically. The book covers just about every topic one could think of related to the EITC. It strikes an unusually sunny tone for an economics monograph in that the EITC is a policy that everyone likes, given that it actually helps the poor (albeit the ones that are viewed politically as being relatively more deserving) and has relatively low efficiency costs (particularly when compared to other anti-poverty programs that have potentially more severe work disincentives or labour demand reduction effects). Thus, this book should be mandatory reading for all persons who think of economics only in its usual dismal terms of dashing cold water on proposed social reforms!

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### *Handbook of Mental Health in the Workplace*

publié sous la direction de Jay C. THOMAS et Michel HERSEN, Thousand Oaks, Calif. : Sage Publications, 2002, 574 p., ISBN 0-7619-2255-5.

Le titre de l'ouvrage est tout à fait approprié au genre. Dans la plus pure tradition américaine, ce pavé en grand format de 574 pages offre au lecteur un tour de la question très fouillé et assez complet. Les auteurs rassemblés à cette occasion par Thomas et Hersen sont des spécialistes reconnus dans ce domaine et leurs contributions sont de haut niveau. Ces contributions sont articulées dans un plan d'ensemble cohérent et respectent l'intention originale de synthèse annoncée par les éditeurs. Loin d'être un ramassis ou un mélange d'articles disparates, cet ouvrage mérite d'être appa-  
renté à un traité.

Il ne faut cependant pas déduire de cet éloge que la lecture de l'ouvrage est facile ou que les auteurs se sont donnés une mission d'initiation ou un objectif

de convivialité. Au contraire, leur guide s'adresse à un public averti : les médecins cliniciens et les psychologues qui tentent de comprendre comment le milieu de travail influence le cheminement de leurs patients ; les intervenants dans les programmes d'aide aux employés ; les psychologues industriels et les gestionnaires de ressources humaines spécialisés dans les questions de santé au travail. Les éditeurs souhaitent aussi intéresser les étudiants, mais il faut comprendre qu'ils visent des étudiants de deuxième et de troisième cycles engagés dans des programmes spécialisés.

En revanche, le lecteur intéressé à approfondir une des multiples facettes de la santé mentale au travail y trouvera son compte et plus. Chaque sous-chapitre est en soi un petit bijou de