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Richard Hauser, Gannon University & John Thornton, Kent State University
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Satisfaction: A Path to Success for the Golf Industry

Shawn Schooley, Auburn University
Appreciative Inquiry: Answering the Call of the New Public Service by Creating a Democratic Discursive Space through Positive Storytelling wherein Direct Citizen Participation can Flourish

Yue Yuan, University of Chicago
Examining Stock Returns through Anomalous Volume: 1966-2009

Oklahoma City, Fall, 2012 Conference:

Kusum Singh, LeMoyne-Owen College
Paper: Distance to the Border: The Impact of Own and Neighboring States Sales Tax Rates on County Retail Activity

Daniel Adrian Doss, Russ Henley & David McElreath, University of West Alabama

Ralph Bourret & Dana Roark, Northwest Oklahoma State University
Paper: Are Routine Retiring CEOs More Closely Monitored in their Last Year?
THE APPRECIATIVE DEMOCRACY FOUR-E MODEL: A CORRELATIONAL ANALYSIS

Shawn Erik Schooley, Ph.D.
Auburn University

ABSTRACT

This article is an attempt to determine the feasibility of a new model of citizen engagement, Appreciative Democracy Four-E, for public administrators to use to increase direct citizen participation at the local government level. Based on a 54 question survey answered by 140 local government administrators, this correlational analysis uses Pearson’s Chi Square, an Independent Samples T-test, and Pairwise Correlation to examine statistically significant relationships between variables as well as the differences in means between similarly sized local governments that use elements of the proposed Appreciative Democracy Four-E model versus those that do not. It is an attempt to answer the research question, “In what way, if any, can public administrators at the local government level increase direct citizen participation by using the Appreciative Democracy Four-E model?” Findings suggest those who do use elements of the Appreciative Democracy Four-E model were found to have higher direct citizen participation rates. Consequently, the Appreciative Democracy Four-E model may be one legitimate approach local government administrators can use to foster direct citizen participation.

INTRODUCTION

In the United States, the debate between more direct forms of citizen participation (e.g., town hall meetings) and more indirect forms of citizen participation (e.g., voting for representatives) has existed since the country’s inception (e.g., Hamilton, Madison, and Jay, 1787/2013; and Storing and Dry, 1985). Public administration scholars have also weighed-in on the question of the proper role for civil servants in our constitutional democracy regarding direct versus indirect citizen participation (e.g., Cook, 1996; and Denhardt and Denhardt, 2011). Many researchers have argued public administrators should more actively, directly engage the citizenry they serve (e.g., Denhardt and Denhardt, 2011; Marini, 1971; O’Leary, Van Slyke, and Kim, 2011; and Wamsley and Wolf, 1996).

The purpose of this article is to determine if the Appreciative Democracy Four-E model is a feasible approach for public administrators to use to increase direct citizen participation at the local government level. The research question driving this work is “In what way, if any, can public administrators at the local government level increase direct citizen participation by using the Appreciative Democracy Four-E model?” Survey research was used to gather data from 140 local government administrators from seven states using 54 questions. A Correlational analysis employing Pearson’s Chi Square, an Independent Samples T-test, and Pairwise Correlation is used to determine if statistically significant relationships exist and to examine the differences in means between similarly sized local governments that use elements of the proposed Appreciative Democracy Four-E model versus those that do not. The research question addressed is, “In what
way, if any, can the Appreciative Democracy Four-E model be used by local government public administrators to increase direct citizen participation?"

First, this article presents a review of the relevant literature from the substantive areas of citizen participation and Appreciative Inquiry, including an overview of the Appreciative Democracy Four-E model. Second, it outlines the research strategy and design. Third, this manuscript provides the data analysis. Fourth, this article offers a discussion of the key findings in an attempt to answer the research question.

LITERATURE REVIEW

A review of two relevant, substantive areas of literature is necessary: citizen participation and Appreciative Inquiry. The citizen participation literature begins with a brief overview of the notion of participatory democracy that encompasses both indirect and direct citizen participation. Then, proponents of increasing direct citizen participation are presented. Conversely, opponents of increasing direct citizen participation are also included.

Literature on Appreciative Inquiry is also provided. This includes a concise overview of the approach as well as the circumstances in which it has been used. Appreciative Democracy Four-E is presented as a fully consistent model of the Appreciative Inquiry approaches Four-D model.

CITIZEN PARTICIPATION

Participatory democracy is comprised of both indirect (i.e., voting) and direct (e.g., community conversations) citizen participation (e.g., Dahl, 2000; Sandel, 1998; and Tilly, 2007). It is used herein as a framework from which to discuss direct citizen participation in a local government setting. Many scholars argue that increasing direct citizen participation at the local government level is one method of increasing participatory democracy (e.g., Adams, 2004; Beierle and Cayford, 2002; Box, 2006; Chrislip, 2002; DeLeon, 1997; DeLeon and DeLeon, 2002; Denhardt and Denhardt, 2011; King and Stivers, 1998; King, Feltey, and Susel, 1998; Kooning, 2004; Leighninger, 2002; McSwite, 1998; and Wamsley and Wolf, 1996).

Many writers have dealt with the issue of participatory democracy and its relationship to direct citizen participation. These authors identify what it is in theory and in practice (e.g., Benn, 2000). A diverse collection of academics argue that in theory participatory democracy is the most egalitarian form of democracy (Wendling, 1997).

In the ideal, it is “a self-managing society in which there are no political leaders” (Wendling, 1997 at 162). Wendling (1997) argues there needs to be more equality among participants in a participatory democracy. She claims who is defined as a participant is a crucial aspect of this form of government (Wendling, 1997).

She further maintains the citizen is a participant who is qualified by holding citizenship to be a participant in the governance process (Wendling, 1997). Wendling (1997) holds that in a participatory democracy society it is the state’s responsibility to ensure inequalities do not interfere with individuals’ rights to participate. Wendling (1997) is not alone in pointing out issues of power differentials and inequality.

Patterson (2000) writes unequal circumstances, statuses, and power differentials serve to inflate estimates of citizen dissatisfaction and disinterest. She maintains nonvirtue (e.g., frustration from impediments to participation) is not apathy and social inequalities result in the inhibition of conventional forms of citizen participation (Patterson, 2000). Patterson (2000) also
contends the concept of citizen participation, in a participatory democracy, needs to be expanded outside of the parameters of apathy versus virtue. She concludes the idea of participatory democracy in America is skewed in that most venues for participation are not authentic and genuine, but rather just varied forms of co-optation (e.g., public hearings) (Patterson, 2000).

King, Feltey, and Susel (1998) argue participation within participatory democracy has to be reframed to address power differentials and extant inequalities. They hold participation needs to be authentic (King, Feltey, and Susel, 1998). They write “authentic participation is deep and continuous involvement in administrative processes with the potential for all involved to have an effect on the situation” (King, Feltey, and Susel, 1998 at 321).

In practice participatory democracy has traditionally meant decentralization of governmental functions and administration, massive devolution, and grassroots organization as well as the requisite voting and election processes (e.g., Roelofs, 2009). Scott (2000) goes further stating participatory democracy is more than just the private act of suffrage. Rather, it is the act of public participation.

It is citizens gathering in a capacity to discuss issues of governance and participating (i.e., acting) in their own governance (Scott, 2000). Evans (2000) maintains participatory democracy in practice is about citizens engaging in inquiry to decide on appropriate governance actions within specific contextual circumstances. Vigoda (2002) views participatory democracy as enhanced citizen and administrator collaboration and partnerships.

**PROPRIETORS OF DIRECT CITIZEN PARTICIPATION**

Many scholar-practitioners call for an increase in direct citizen participation; for engagement of the citizenry by the public administrators who serve them and govern in their name (e.g., Box, 2006; Denhardt and Denhardt, 2011; DeLeon and DeLeon, 1996; King and Stivers, 1998; McSwite, 1998; Veneklasen and Miller, 2007; and Zukin, Keeter, Andolina, Jenkins, and Carpini, 2006). Denhardt and Denhardt (2011) call for a reaffirmation of the soul of public administration. They argue public administrators ought to serve the citizenry rather than steer the ship of state as Osborne and Gaebler (1990) contend.

McSwite (1998) call on civil servants to engage in genuine, meaningful dialogue with citizens in pragmatic collaboration. The point of their book “is to help create a certain kind of awareness, a reflexivity, in our dialogue, rather than present directives or mandates [as public administrators]” (McSwite, 1998 at 20). King and Stivers (1998) also advocate a more collaborative dialogue between civil servants and the people. They write,

[T]he relation between democracy and bureaucracy is enacted in the daily lives of bureaucrats and citizens and in their interactions with one another. The question of whether the United States is, or can become, a democracy is practically defined by the way that citizens and administrators view one another, work or don’t work together, trust or don’t trust one another, and share or argue about what makes up the kind of society they would want to live in together…we believe government workers, both those on the firing line and those in management jobs more removed from direct service, want to take active steps to help remedy citizen discontent, not by papering it over with public relations efforts, but by opening government to the participation of concerned citizens (King and Stivers, 1998 at 72-73).
Similarly, Wamsley, Bacher, Goodsell, Kronenberg, Rohr, Stivers, White, and Wolf (1990) argue refounding public administration requires a central role played by citizens who articulate the public interest through ennobling dialogue. As Barth (1996) states “[T]hese guiding values [e.g., political responsiveness, political consensus, and agenda awareness] speak to the need for balance, compromise, and integration. They also imply that for a democracy to survive, there must be an appreciation for the need to find common ground, to respect the concerns and opinions of those who are different, and to hear the needs of the powerless as well as the powerful (at 170).

Despite the myriad voices calling for more direct public engagement on the part of administrators, there are still many who decry such approaches.

**OPPONENTS OF DIRECT CITIZEN PARTICIPATION**

Many take issue with increasing direct citizen participation in governance. Opponents criticize what direct citizen participation is supposed to achieve citing both its costs and warning against its perceived benefits. Some contend direct citizen participation in government is too laborious and time intensive to be feasible (e.g., Gamble, 1997; Irvin and Stansbury, 2004; and Markham, Johnson, and Bonjean, 1999).

They maintain individuals are apathetic not wanting to be involved unless they are adversely affected by a governance issue (e.g., Berman, 1997; and Williams, Suen, Brown, Bruhn, De Blaquiere, and Rzasa, 2001). Other hold public managers do not have the time or the resources to facilitate public participation meetings. And, it is only because of legal mandates they hold public hearings (Echeverria, 2001; Lawrence and Deagen, 2001; and Rourke, 1984).

Critics point out citizens are often uninformed on issues, are not accountable or responsible like public managers are, and do not have the commitment for sustained citizen engagement with local civil servants and other citizens over time (e.g., Kenney, 2000; Ostrom, 1990; Russell and Vidler, 2000; and Smith and McDonough, 2001). Others question the representativeness of direct citizen participation efforts (e.g., Abel and Stephan, 2000; Kenney, 2000; and McCloskey, 1996). Cnaan (1991) argues approaches like neighborhood-representing organizations are not any more democratic than other forms of indirect participatory democracy.


Irvin and Stansbury (2004) remind civil servants “talk is cheap---and may not be effective” (at 63). And a host of others agree criticizing citizens themselves (e.g., as being apathetic, uninformed on issues, lacking commitment for sustained civic engagement, lacking authority, engaging in destructive rent-seeking behavior, prejudiced by inefficient citizens, dominated by professional citizens, ignorant, ambitious, ideological, narcissistic, filled with avarice, selfish, and complacent), issues pertaining to democratic notions (e.g., citizens do not have accountability or responsibility to the public good, citizen participation is not representative of the entire public, citizen participation violates republican ideals and jeopardizes fundamental rights that protect all citizens, and there is difficulty associated with diffusing citizen goodwill), and logistical requirements (e.g., time, money, and personnel) (e.g., Alcock, 2004; Burton, Goodland, Croft, Abbott, Hastings, and Macdonald, 2004; Callinicos, 2001; Cooke and Kothari,
APPRECIATIVE INQUIRY

Appreciative Inquiry (Ai) is a positive approach to organizational development developed by David Cooperrider in 1986 predicated on action research. It is different from traditional organizational development approaches because it focuses on the positive rather than the negative. It begins with an unconditional positive question. Stakeholders provide personal, positive anecdotes in answer to the question. For example, one might ask “When have you, as a citizen, felt safest in the neighborhood?” in regard to improving a community policing initiative (e.g., Cooperrider and Whitney, 2002; and Watkins and Mohr, 2001).

Ai has been defined in many ways (e.g., Barrett and Fry, 2005; Bell and Dodds, 2012; and Hammond, 2009). Watkins and Mohr (2001) provide the following operationalization,

[A]ppreciative Inquiry is a collaborative and highly participative, system-wide approach to seeking, identifying, and enhancing the ‘life-giving forces’ that are present when a system is performing optimally in human, economic, and organizational terms. It is a journey during which profound knowledge of a human system at its moments of wonder is uncovered and used to co-construct the best and highest future of that system. The term ‘appreciative’ comes from the idea that when something increases in value it ‘appreciates.’ Therefore, Appreciative Inquiry focuses on the generative and life-giving forces in the system, the things we want to increase. By ‘inquiry’ we mean the process of seeking to understand through asking positive questions (at 14).

The most basic model, though not by any means the only one, of the Ai approach is the Four-D model.

APPRECIATIVE INQUIRY: FOUR-D MODEL

The Four-D model was developed by the GEM Initiative working in Harare, Zimbabwe. It is based on Cooperrider and Srivastva’s (1987) original Ai dimensions. The four Ds stand for discover, dream, design, and deliver (Watkins and Mohr, 2001).

The process is cyclical and iterative. The four stages are not mutually exclusive and they inform one another (Watkins and Mohr, 2001). “The Four-D model is widely used, and it contains all of the five core generic processes” of Ai (Watkins and Mohr, 2001 at 43).

In the discover stage stakeholders focus on organizational excellence by appreciating the best of “what is.” This is the phase where people share personal, positive stories about aspects of their organization (Watkins and Mohr, 2001). “In the discover phase, people share stories of exceptional accomplishments, discuss the core life-giving forces of their organizations or communities, and deliberate on the aspects of their organization’s or community’s history that they most value and want to bring to the future” (Watkins and Mohr, 2001 at 43).

In dreaming individuals in the organization or community envision a preferred future “in a ‘macro’ provocative proposition” (Watkins and Mohr, 2011 at 44). “The design phase includes the creation of the social architecture of the organization [or community] and the generation of micro provocative propositions that articulate the organization’s [or community’s] dreams for
each of the ongoing activities” (Watkins and Mohr, 2001 at 44). In the deliver stage people create avenues to deliver new images of the preferred future. This is the phase where continuous, multiple loop learning occurs, it is ongoing (Watkins and Mohr, 2001). “Because of the shared positive images, everyone is included in co-creating the future” (Watkins and Mohr, 2001 at 45).

As a discourse approach, Ai is heavily reliant on certain language (i.e., positive language) to achieve its goals (e.g., Cooperider and Srivastva, 1987; and Watkins and Mohr, 2001). Cooperider and Srivastva (1987) encourage practitioners to develop their own models of Ai depending on their specific context as long as those models are based on the five core generic processes inherent to all Ai approaches (e.g., Watkins and Mohr, 2001). Before proposing the context specific model, Four-E, that is the focus of this research, this article explores the two underlying theories of Ai, the five core generic processes of Ai, and how Ai has been used to this point.

**TWO UNDERLYING THEORIES OF APPRECIATIVE INQUIRY**

**SOCIAL CONSTRUCTIONISM**


>Social constructionist dialogues --- of cutting edge significance within the social sciences and humanities --- concern the processes by which humans generate meaning together. Our focus is on how social groups create and sustain beliefs in the real, the rational, and the good. We recognize that as people create meaning together, so do they sow the seeds of action. Meaning and action are entwined. As we generate meaning together we create the future (as cited in Watkins and Mohr, 2001 at 26).


Social reality is socially constructed. Social construction of social reality is done so through dialogue. Therefore, the words we use are fateful (e.g., Gergen, 2012; and Watkins and Mohr, 2001).

For instance, if we ask a community, “What is the problem you are trying to fix?” If they did not have a problem to begin with, then according to social constructionism, we just created one through our use of negative, debilitating, life-robbing language. Beginning with the positive question and maintaining the focus on the positive is critical to an Ai approach (e.g., Gergen, 2012; and Watkins and Mohr, 2001). Focusing on positive language is particularly important in Ai because the other theory underlying the approach is the power of image.

**POWER OF IMAGE**

The power of image theory is rooted in positive self-fulfilling prophecy and upon research conducted on the placebo effect in the field of medicine. There is a demonstrable relationship between our images and our behavior. An extant connection exists between what we believe to be true and what we “create” as truth and social reality (e.g., Srivastva and Cooperider, 1999; and Watkins and Mohr, 2001).
Cooperrider and Srivastva’s (1999) research suggests the placebo effect deals with the power of our own image of ourselves, the Pygmalion studies inform us about the impact of another’s image of us, positive thinking is correlated to a person’s well-being, and from meta-cognition we can learn to use our internal dialogue for positive impact. Combining theories of social constructionism and the power of positive image results in effective, positive organizational and community change (Watkins and Mohr, 2001). Watkins and Mohr (2001) write of Ai, an alternative theory of organizational [or community] intervention would suggest that a fundamental pre-condition for all organization change work…is to shift the flow of ‘issues framing dialogues’ in the direction of health rather than pathology in order to shift the flow of dialogue from an analysis of malfunction to a holistic understanding of moments of optimal performance. The choice to focus on moments of optimal performance and our conscious use of inquiry are powerful interventions in and of themselves (at 33).

**FIVE CORE GENERIC PROCESSES OF APPRECIATIVE INQUIRY**

Common to all Ai approaches and subsequent Ai models are five generic core processes. These processes are: 1) choose the positive as the focus of inquiry, 2) inquire into stories of life-giving forces, 3) locate themes that appear in the stories and select topics for further inquiry, 4) create shared images for a preferred future, and 5) find innovative ways to create that future (Watkins and Mohr, 2001). As long as these five processes are evidenced in a context specific model, then an Ai approach has been used (e.g., Cooperrider and Srivastva 1987; and Watkins and Mohr, 2001). Watkins and Mohr (2001) maintain, [A]lthough our five generic processes for applying Appreciative Inquiry can be presented as a systematic approach to organization change, or even alternatives to, this approach will inevitably emerge as each system makes the AI approach its own (at 40).

**APPLICATION OF APPRECIATIVE INQUIRY**

Ai has been used in many different contexts (Watkins and Mohr, 2001). It was first applied in the private sector at the organizational level (Cooperider, 1986) but has since been extended to both public sector organizations (e.g., Bright, 2009) and nonprofit sector organizations and outside of the organizational context within the community (e.g., Browne and Jain, 2002). Notably, it has not been used in the way this research is suggesting: by public administrators at the local government level to increase direct citizen participation.

Ai’s use has been widespread in all three sectors both within and outside of the organizational context (e.g., Watkins and Mohr, 2001). Ai has been used in organizational leadership (e.g., Aram, 1990), human resource challenges (e.g., Castello, 2005), organizational culture change or in organizational development and organizational community building (e.g., Anderson, 1999), organizational sustainability (e.g., Cooperrider and Lazlo, 2012), team building (e.g., Alfred, 2003), spirituality in the workplace (e.g., Banaga, 1998), project management (e.g., Cobb, 2002), strengthening personal relationships between employees (e.g., Adams, 2004), reframing workplace challenges (e.g., Barrett, 2000; and Bosch and Goodman, 2000), creating learning conversations (Brown and Isaacs, 1996), examining multi-organizational partnerships (Barrett,
APPRECIATIVE DEMOCRACY: FOUR-E MODEL

To increase public participation in governance is to foster democracy. Our modern term democracy comes from the ancient Greek demos kratos, meaning “rule by the many” (e.g., Patterson, 2008; and Polin and Polin, 2006). Appreciative Democracy, ergo, means to value the rule by the many or popular sovereignty (i.e., ultimate governing authority rests with the people) (e.g., Patterson, 2008; and Polin and Polin, 2006).

In accordance with Cooperrider and Srivastva (1987) and Watkins and Mohr (2001), the Appreciative Democracy Four-E model was created specifically for use by local government public administrators to use to increase levels of direct citizen participation. Language and terminology are important, given the underlying theory of Gergen’s (2012) social construction of social reality, so specific engagement terms are used, such as democracy. The GEM Initiative’s Four-D model becomes the Appreciative Democracy Four-E model.

The model is based on Cooperrider and Srivastva’s (1987) five core generic processes of Ai. It incorporates their aspects of an approach that is scientific/theoretical, metaphysical, normative, and pragmatic. It seeks to illustrate and ultimately achieve the best of “what is”, “ideals of what might be,” consensus of “what should be,” and experiencing of “what can be.” In is grounded in observation, vision logic, collaborative dialogue and choice, as well as collective experimentation (Cooperrider and Srivastva, 1987).

The Four-E’s are Explore, Envision, Engage, and Empower. The primary task of the explore phase is to “appreciate the best of ‘what is’ by focusing on times of organizational [or community] excellence” (Watkins and Mohr, 2001 at 43). In this stage positive, personal stories are shared about when local government in the community has performed at its best.

What gives life to the community? What do citizens value the most about the community? What exceptional accomplishments has government achieved? The goal here is citizens “come to know their organization’s [here their community’s] history as positive possibility, rather than as a static, problematic, eulogized, romanticized, or forgotten set of events” (Watkins and Mohr, 2001 at 44).

In the envisioning phase the status quo is challenged. A preferred future is envisioned and dreamed of. The future is described via dialogue so all members of the community can see the possibility of the exception becoming the rule or the norm (Watkins and Mohr, 2001). Citizens engage in “possibility conversations about the organization’s [here the community’s] position, its potential, its calling, and the unique contribution it can make to global well-being” (Watkins and Mohr, 2001 at 44). The goal is to re-create the community’s shared positive history into a positive future (Watkins and Mohr, 2001).

The engagement stage is where the stakeholders, both public administrators and citizens, come together and create the community’s social architecture. “This step requires careful consideration and widespread dialogue about what the structure and the processes” of the
community will be [emphasis added] (Watkins and Mohr, 2001 at 44). Possible preferred futures are imagined by the kinds of questions that are asked (Watkins and Mohr, 2001).

Micro provocative propositions are made explicit. This enables community movement toward macro provocative propositions proclaimed in the envision phase. The envision and engagement stages often occur together with the focus on a collective social construction of positive images via storytelling of the preferred, desired future (Watkins and Mohr, 2001).

The final phase of the Appreciative Democracy Four-E model is the empower stage. This is about civil servants and the citizenry working together to enact the new images of the future created in stages two and three.

It is a time of continuous learning, adjustment, and improvisation. The momentum and potential for innovation is extremely high by this stage of inquiry. Because of the shared positive images, everyone is included in co-creating the future (Watkins and Mohr, 2001 at 45).

To answer the research question, “In what way, if any, can public administrators at the local government level increase direct citizen participation by using the Appreciative Democracy Four-E model?”, the following strategy and design was used.

RESEARCH STRATEGY AND DESIGN

A review of the literature reveals no local government public administrators have used Appreciative Inquiry to increase direct citizen participation. This research project is concerned with answering the research question, “In what way, if any, can public administrators at the local government level increase direct citizen participation by using the Appreciative Democracy Four-E model?” The research strategy and design for this project is posttest-only two-group nonrandomized quasi-experimental. The unit of analysis is the local government (e.g., cities or counties) (e.g., Babbie, 2013; and Yin, 2007).

It relies on the use of surveys to apply quantitative analysis (e.g., Yin, 2008). Quantitatively, Pearson’s Chi Square, an Independent Samples T-test, and Pairwise Correlation are used for inferential statistical analyses to identify statistically significant relationships and to compare the means between two different groups (e.g., Babbie, 2013; and Babbie, Halley, Wagner, and Zaino, 2007). Qualitative data that were collected are addressed and analyzed in a separate article.

A 54 question survey was created based on questions related to direct citizen participation and the underlying tenets of Appreciative Inquiry. The survey was emailed to a purposive sample of 1,200 local government public administrators (e.g., city managers and county administrators) in seven states: Alabama, Georgia, Oregon, Utah, Ohio, Texas, and New York. Local governments are categorized as small (i.e., 1-44,999 population) 82% (114), medium (i.e., 45,000-249,999) 15% (21), and large (i.e., 250,000 or more) 3% (4). There are a total of 140 respondents after three mailings (e.g., Babbie, 2013) for a twelve percent response rate.

Demographically, 86% (119) respondents are male and 15% (21) are female; 92% (129) are Caucasian, 5% (7) are African-American, 1% (1) are Asian-American, 1% (1) are Latino, and 1% (2) listed other regarding race/ethnicity. Respondents indicated 72% (99) have post-graduate degrees, 23% (31) have a college degree, 4% (6) have some college, and 1% (2) have a high school education. A majority of respondents who have a college degree have a Masters in Public Administration while the rest have a range of degrees including the areas of planning.
Regarding experience as a public administrator, 12% (16) stated they have between 1-5 years, 7% (9) have 5-10 years, 13% (18) gave 10-15 years, 17% (23) have 15-20 years, and 51% (70) stated they have over 20 years of experience in the field of public administration. When asked about specific experience as a city manager or county administrator, 1% (1) have less than 1 year, 23% (32) have 1-5 years, 18% (25) have 5-10 years, 21% (28) have 10-15 years, 14% (19) have 15-20 years, and 23% (31) have over 20 years of experience. When asked if they had ever used an Appreciative Inquiry approach before 79% (106) answered “No” while 21% (29) stated “Yes.” When asked to clarify if they had used an Ai approach specifically to increase direct citizen participation at the local government level, only .6% (8) said they had.

This quasi-experimental design does have limitations. It cannot definitively account for all possible third variables. Mitigation of the confounding variables issue, and other effects of maturation, history, instrument decay, et cetera, is attempted by comparing the most similarly sized and situated local governments (e.g., McNabb, 2013).

The use of a purposive sample rather than a random sample in this study poses challenges of internal validity. Inferences of causal relationships are difficult to determine because of the uncontrolled social environment; there is no control over extraneous variables outside of a laboratory setting. Comparison groups can never be equal in a quasi-experiment. Despite these limitations some generalizations can be made to the population (e.g., McNabb, 2013).

**DATA COLLECTION AND ANALYSIS**

Data from 140 respondents in seven states was collected using Qualtrics survey software over a five month period. Results were coded. They were entered into IBM SPSS 20 to perform Pearson’s Chi Square to determine if statistically significant relationships exist between variables, an Independent Samples T-test analysis for differences between groups to compare the average performance regarding increasing direct citizen participation between local governments that did not use tenets of the Appreciative Inquiry approach (e.g., unconditional positive question, storytelling, etc.) (i.e., control group) and those local governments that did use elements of Ai (i.e., treatment group), and Pairwise Correlation.

Pearson’s Chi Square, Independent Samples T-test, and Pairwise Correlation address whether the individual and group means are statistically different. The alpha level is an accepted social science research standard of .05 for a 95% confidence level. The degrees of freedom for the independent samples t-test are n-2.

Pearson’s Chi Square revealed statistically significant relationships between the following variables. At the nominal level of measurement, the Dependent Variable (DV) is the “yes” or “no” response to survey question number 35, “From your perspective, do you have high or low citizen participation?” The one Independent Variable (IV) that had a statistically significant relationship is question 18, “Do you ever begin a direct citizen participation effort with a positive question?” The value is 4.117 and the significance for this relationship is .042.

Pearson’s Chi Square also reveals 6 additional IVs have a statistically significant relationship to another nominal level DV from question 35, “Has direct citizen participation increased or decreased?” Question 21 (IV), “Do you use any form of break-out groups in direct citizen participation efforts?” has a value of 6.16 and is statistically significant at .013. Question 27
“In your direct citizen participation efforts do you attempt to inspire hope?” has a value of 8.485 and a significance level at .004. Question 29 (IV), “In your direct citizen participation efforts do you engage in visioning for the future?” has a value of 3.967 and a significance level of .046. Question 30 (IV), “In your direct citizen participation efforts do you attempt to find "win-win" solutions to issues?” has a value of 6 and is significant at .014. Question 10 (IV), “Do you only use the public hearing required by law to engage citizens or do you use other forms of direct citizen participation?” has a value of 3.77 and is significant at .052. Question 16 (IV), “Do you use ‘outside-of-the-box’ strategies in your direct citizen participation efforts?” has a value of 6.384 and is significant at .012.

Independent Samples T-Test was used with the DV found in question 11, “What are the attendance numbers at your direct citizen participation efforts?” These responses were coded to the lowest reported number. Four IVs had a statistically significant relationship to question 11 (DV). Question 28 (IV), “In your citizen participation efforts do you discuss peoples' dreams of a preferred future?” is significant at .046. Question 29 (IV), “In your direct citizen participation efforts do you engage in visioning for the future?” is significant at .058. Question 10 (IV), “Do you only use the public hearing required by law to engage citizens or do you use other forms of direct citizen participation?” is significant at .019. Question 16 (IV), “Do you use ‘outside-of-the-box’ strategies in your direct citizen participation efforts?” is significant at .000.

Pairwise Correlation applied to question 11 (DV), “What are the attendance numbers at your direct citizen participation efforts?” (Note: Coded these to lowest reported number) revealed a statistically significant relationship to question 14 (IV), “How often do you use storytelling in direct citizen participation efforts?” at .058. In sum, several IVs have a statistically significant relationship to three DVs. These findings provide a beginning point for a discussion about the legitimacy of the Appreciative Democracy Four-E model and a potential answer to the research question.

**DISCUSSION**

This research attempts to answer the question, “In what way, if any, can public administrators at the local government level increase direct citizen participation by using the Appreciative Democracy Four-E model?” Data analysis suggests yes public administrators can use the Appreciative Democracy Four-E model as one potential approach to increasing direct citizen participation at the local government level. Particularly where buy-in to a focus on the positive from stakeholders, both administrators and citizens, is high.

Findings offer support for the Appreciative Democracy Four-E model being legitimated. Local government administrators who are already using aspects of an Appreciative Inquiry approach in their citizen engagement efforts tend to report higher direct citizen participation than those localities not using elements of Ai. For example, the unconditional focus on the positive as well as the use of collective storytelling.

Data analysis reveals localities that use positive questions, break-out groups, attempt to inspire hope, engage in visioning for the future, attempt to find synergistic “win-win” solutions, expand their approaches to direct citizen participation beyond the legally required public hearing, engage citizens in a discussion about their dreams of a preferred future, use outside-of-the-box thinking, and use storytelling in public participation efforts have higher direct citizen participation rates than those local governments that do not. Some of these elements like positive questions, storytelling, and dreaming of a preferred future are direct tenets of the Appreciative
Democracy Four-E model. Therefore, many public administrators at the local level are already successfully using parts of an Appreciative Inquiry approach.

Other variables such as break-out groups, visioning, “win-win” solutions, outside-of-the-box thinking, inspiring hope, and expanding their strategies beyond the public hearing are characteristics that are applicable to many direct citizen participation approaches, not just Appreciative Democracy. However, localities that use these alternative, innovative approaches do have increased public involvement. Hence, the Appreciative Democracy Four-E model should provide civil servants a chance to increase direct citizen participation further by its use.

This is a first step in beginning to validate the Appreciative Democracy Four-E model. Further research should be conducted. Qualitative research should be completed to see if support for the quantitative data analysis herein can be found. The Appreciative Democracy Four-E model should next be implemented at the local government level by public administrators in a case study. Quasi-experimental pre and post- test research should be conducted on this real-world application to determine if additional support is discovered for the Appreciative Democracy Four-E model.
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THE AMERICAN PIE: INCOME INEQUALITY IN THE UNITED STATES

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Abstract

This article evaluates the increase in income equality in the United States over the last thirty years in the context of the American ideal of equality of opportunity. It reviews the economic evidence of the increase in inequality and assesses the multiple factors behind its rise. From there, it describes American notions of equality, focusing on equal opportunity. The paper then examines both domestic and cross-country measures of economic mobility in demonstrating that increasing income inequality has been accompanied by a decline in equality of opportunity. Lastly, the paper evaluates potential policy responses that address income inequality by increasing equality of opportunity.

Introduction

In a 1963 speech on the economy, President John F. Kennedy remarked that “a rising tide lifts all boats.” This famous phrase accurately captured the broad-based economic prosperity experienced by the United States at that time. Economists have characterized the quarter century following World War II as the “Great Compression.” From 1947 to 1973, average household income increased an impressive 2.6% annually in inflation adjusted terms. Remarkably, real incomes for households in the bottom 20 percent of the income distribution grew 3 percent annually while real incomes for the top fifth rose by 2.5% annually (Goldin and Katz, 2009, 28). This era witnessed both a rapidly expanding pie and a greater equality among its slices.

This trajectory, however, has not been sustained as incomes have become less equal in the U.S. during the last thirty years. Economists and some commentators have labeled the current period of rising income inequality and diminished economic growth as the “Great Divergence” (Noah, 2010). “From 1973 to 2005, the bottom-fifth of families realized almost no growth in real income, whereas the top fifth enjoyed an average annual gain of 1.6 percent” (Goldin and Katz, 2009, 28). It is important to point out that the recent increase in income inequality is not a phenomenon faced solely by the United States; it also has characterized the experiences of other OECD countries. The common experience of rising inequality within these nations may largely reflect the structural evolution that all developed economies face.

This paper analyzes this great divergence in economic fortunes among American households. It begins by examining the evidence of increasing economic inequality in the United States over this time period. From there, we consider the complex factors responsible for
this rise. Then, we explore American ideals of equality. Such an exploration is important in evaluating policy prescriptions that address inequality. Next, the paper describes changes in economic mobility during this period. Lastly we briefly outline several broad areas for potential policy responses that are consistent with American values.

The Evidence of Increasing Economic Inequality

The Gini Index (GI) is commonly used to measure the degree of income equality in a geographic area or a nation. The range of GI is from 0 to 1.00. A nation or region is said to have a completely unequal distribution of income when the GI equals 1.00 (one group receives all the income), and to have a completely equal distribution when the GI equals 0 (each group has the same income). The evidence from a variety of sources suggests that the income distribution in the US has become less equal over past thirty years.

The most recent and comprehensive data set comes from the nonpartisan Congressional Budget Office (Congressional Budget Office, 2011, 7). In measuring income inequality, the CBO uses market income as reported on income tax forms plus employer paid health care insurance (Appendix A). In 1980 the GI stood at around .48 and by 2008 it reached .59. This represents a 23 percent increase in income inequality in the nation over the past 27 years. The subtraction of capital gains from market income data reduces the degree of income inequality. However, the GI for market income excluding capital gains has trended higher as well meaning that capital gains alone do not explain the upward trend in U.S. income inequality.

In measuring a nation’s income distribution, economists divide a nation’s households into quintiles with each quintile accounting for 20 percent of the population. The CBO study also shows that income has become much more concentrated in the upper quintile of households with income accruing to the top 1 percent of households being a major source of the increase in GI. (Congressional Budget Office, 2011, xi). Since 1979, every quintile experienced a decline in the share of market income except for the highest (or fifth) quintile. A closer examination shows that only the top 1 percent of households increased its share of market income over the period!
More specifically, the CBO found that, between 1979 and 2007, income grew by: 275 percent for the top 1 percent of households and 65 percent for the next 19 percent of the highest quintile. Income rose approximately 40 percent for the next three quintiles and 18 percent for the bottom 20 percent, (Congressional Budget Office, 2011, x). The evidence once again supports the position that income inequality has been growing at the very top of the income distribution in the U.S.
Another way to look at income inequality is to estimate the income share of families in the top decile (ten percent) using income tax data that has been collected since 1913 (Saez, 2013, 8). The top 1 percent of families’ share of income in the U.S. has risen from about 8 percent in 1970 to 23 percent in 2007. Meanwhile, the total income accruing to the other 9 percent of families remained relatively flat over most the past 90 plus years.

A number of analysts contend that these measures overstate the rise of inequality over this time period. One argument claims that changes in the tax code have caused an under reporting of income for the lower quintiles by ignoring other sources of income such as employer paid health insurance. In addition, the reduction in capital gains tax rates have encouraged the wealthy to realize their capital gains, thus inflating incomes in the upper end of the income distribution. While there is some validity to these criticisms, their impact on the analysis is marginal at best.

**National and Local Area Income Inequality**

Another dimension is the spatial distribution of income inequality. Income inequality is not uniform throughout the United States. The U.S. Census Bureau map of the United States shows the GI at the county level from 2006 to 2010. Income inequality tends be concentrated in metropolitan areas and in the South. However, as the map illustrates, there are pockets of high income inequality elsewhere in the nation (United States Census Bureau, 2012, 2).
International Comparisons: Within Nations and Across Nations

Data on income equality within nations and across nations over time supports the assertion that the U.S. has a higher concentration of income inequality than any other developed country (Economic Policy Institute, 2013, 84). Moreover, the rate of increase in income share by the top 1% is higher in the U.S. than in 15 other developed countries. If we look from an alternative perspective, we see economic inequality across nations (rather than within) has declined. “Global inequality has begun to fall as poorer countries catch up with richer countries” (The Economist, 2013, 4). This surely is good news as global economic growth has significantly reduced poverty in emerging economies. The focus, here, however is on rising inequality within the United States.
Causes of Rising Income Inequality

In this section of the paper we explore some possible causes for the rise in income inequality in the U.S. Researchers have had a difficult time ascribing blame to just one factor (Economic Report of the President, February, 1997). We believe it is the confluence of a number of factors that best explains the rising income inequality in the U.S. These factors include skill-biased technological change, globalization, institutional & organizational change, the rise of winner-take-all markets, taxation policy, and immigration.

Skill-biased Technological Change

This idea here is that technological innovation has favored knowledge-based occupations. The implication is that automation and new information technologies have greatly reduced the number of high paying low skilled jobs. At the same time individuals with the requisite technological skills are relatively scarce and in high demand. The automobile industry, for example, has seen a large reduction in high paying low skill jobs largely caused by the wide adoption of labor-saving automation. At the same time the automobile industry and other manufactures have had difficulty finding skilled workers to do more complex tasks.

This line of reasoning suggests that digital and electronic innovations have simultaneously driven down the wages of a large number of low skilled workers numbers while increasing the wages of a much smaller group of highly trained and skilled workers. Even though innovation has contributed to economic inequality, it does not explain everything. Most of the gains in income have gone to the top 1 percent of the income distribution. While it is true that education and training are highly correlated with earnings, individuals in the top 1 percent are not necessarily any better educated or trained than people further down the income distribution who have not experienced extraordinary gains in their income (U.S. Census Bureau, 2006).
Globalization

This argument contends that the globalization of the world’s economy has exposed American workers to greater competition. More than at any time in history, less skilled inexpensive foreign labor is in direct competition with U.S. workers. Improvements in transportation, communication and the relaxation of trade restrictions have made foreign made goods more accessible to U.S. consumers. Thus, U.S. workers have become more susceptible to being displaced by inexpensive foreign competition, with low-skilled U.S. workers facing the fiercest competition. Conversely the greater the skill level of workers, the less likely they are to lose their jobs to unskilled foreign workers. This situation has exacerbated income inequality in this country.

While globalization has some explanatory power, the rise in income inequality was taking place before long before the global trade pacts and the improvements in transportation were in place (Timothy Noah, 2010). Thus, globalization while part of the story cannot account for the long term trend in U.S. income distribution or be the sole explanation of why the top 1 percent has seen a large increase in its share of income.

Winner-take-all-markets (WTAM)

The WTAM hypothesis takes the position that society has been paying larger premiums to the very best in a profession. Whether in academics, athletics, business, entertainment, medicine, law, or other professions, the top people are commanding ever higher premiums above the average income level in their profession. A good example of a WTAM is the market for tournament golfers. “When he was at the top of his game Tiger Woods was making $12 million in winnings and $100 million in endorsements whereas the second best golfer, Phil Mickelson, was making $4 million in winnings and $47 million in endorsements and the third best was making less than 15 million combined” (Zingales, 2012, 23).

The reasons for this are many, but at the heart of the story is that new communication technologies have lowered the cost of reaching vast markets. This creates the potential for huge profits for those people or firms who are marginally better at their activity than the competition. Simply stated, new technologies now give markets the choice between selecting a person or a firm who is very good at what they do and choosing a performer who is the very best in their field. In a WTAM world a person or firm that has a slight edge over the competition will have great potential to command an increasing share of the income pie (Frank and Cook, 1996). It is important to recognize that the increase in income inequality was underway before the emergence of these technological innovations. Therefore, WTAM can explain some, but not all of the growing income disparity in this country.
Institutional & Organizational Change: CEO pay and the Decline in Unionization

This explanation says that the dramatic rise in CEO pay has contributed to rising income inequality in the U.S. The chart below shows how the ratio of average CEO to average production worker compensation has changed over the past forty years. In 2011 the average CEO compensation was approximately 209 times that of the average person in that organization (Economic Policy Institute, 2013, C.4 118). Anecdotal evidence suggests that the number has risen since 2011.

So what are the reasons for this trend? Much of the increase in CEO pay stems from changes in corporate governance practices that were widely implemented in the late 1980s and early 1990s. Changes in executive compensation through the increase in the use of stock options and other pay for performance schemes were designed to align managerial and shareholder interests (Holmstrom and Kaplan, 2001). Instead of replacing traditional forms of compensation like salary, these new schemes often were added onto these existing methods. Evidence suggests that the strong influence of CEOs on the membership of Boards of Directors influenced the adoption of these highly favorable payment arrangements (Bebchuk and Fried, 2003).
In 1973, 26.7 percent of all wage and salary workers were union members. By 2011, union participation had fallen to 13.1 percent of the labor force. Critics say the decline in unionization has allowed CEOs to capture a greater percentage of a firm’s productivity gains, a.k.a. profits (Economic Policy Institute, 2013, C.4 269). The chart below shows a close correlation between productivity gains and real medium household income until about 1979. After that, gains in worker productivity have had much less influence on real medium family income (Economic Policy Institute: Economic Indicators, 2013).

Taxation policy

Taxation policy and the role that it may have played in accelerating income inequality has been a hot button issue in the U.S. The argument is well known and straight forward. Tax cutting policies have had the largest impact on households earning at or above the 95 percentile.
The chart below shows the federal tax rates for various percentiles of tax paying units in 1960 and after the last major round of tax rate reductions. The data indicates that our nation’s federal tax system has become much less progressive. In 1960 the top 0.01 percent of households faced a combined rate of about 70 percent; in 2004 the combined rate fell to rate of about 30 percent (Piketty and Saez, 2007).

The chart below shows after tax income share for various percentiles from 1979-2007. The only group to experience an increase was the top 1 percent of households. However, some researchers believe that tax rate reductions account for just a small portion of the great divergences (Noah, 2010, 1). They point out that tax rate reductions had little impact on changing income distribution in this country as shown in the CBO chart (Congressional Budget Office, 2011).
Immigration

The immigration of lower skilled workers into the U.S. it’s argued has pushed down wages rates for the unskilled workers. The Immigration and Nationality Act of 1965 which liberalized immigration restrictions led to significant increases in immigration rates into the United States. “Since 1970, the foreign-born share of the U.S. population (legal and illegal) has risen from 4.8 percent to 11 percent. More than half of U.S. immigrants now come from Mexico, Central and South America, and the Caribbean. Although a substantial minority of immigrants are highly skilled, for most immigrants incomes and educational attainment are significantly lower than for the native-born” (Noah, 2010, 5).

The rise in immigration has had the greatest negative impact on the incomes on low-skilled, low-income workers. Studies show that, from 1980 to 2000, Mexican immigrants alone reduced the incomes of native-born high school dropouts by over 8 percent (Noah, 2010, 5). While immigration has had some impact in increasing economic inequality, its effect is much smaller than the other causes that we have presented. Higher rates of immigration, for example, do little to explain the rapid rise in the top 1 percent’s income level.

While we have discussed a number of causes of rising inequality, it is impossible to isolate one from another. Skill-biased technological change, globalization, and winner-take-all markets, for example, are deeply interrelated in their effects on inequality. Competitive pressures from increasing globalization incentivize firms to adopt new technologies that harm low-skilled workers but reward highly skilled workers. These new technologies also act to expand global markets by reducing communication and search costs for customers and by facilitating coordination among businesses and their suppliers on a greater geographical scale. The phenomenon of winner-take-all markets similarly depends upon both access to global markets and the utilization of new information and communication technologies to reach these global markets.

Equality and American Values

Does the dramatic increase in economic inequality over the last thirty years represent a major problem? Whether inequality is likely to be a major concern to citizens depends upon how Americans view inequality. The political feasibility of any policy response to inequality needs to be consistent with American values. Though equality is highly valued ideal, Americans have a rather unique conception of equality compared with peoples from other countries and cultures.

Perhaps no passage better captures the American notion of equality than this celebrated phrase from the Declaration of Independence: “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights that among these are Life, Liberty, and the pursuit of Happiness.” Here, the emphasis is on the equality of rights among citizens rather than on equality of outcomes or results. Consistent with this rights-based conception of equality are the American ideals of social equality, equality
before the law, and equality of opportunity. As ideals, Americans recognize that each hasn’t been fully realized but remain important goals that society should always strive to achieve.

The ideal of **social equality** rejects distinctions based on “rank and deference in social relations” (Ladd, 1994, 9). In general, Americans abhor the idea of privilege associated with class, birthright, religion, race, or ethnicity. “I’m as good as you are” – that’s the ideal of social equality” (Ladd, 1994, 10). Individuals should be judged on the basis of their character, capabilities, and accomplishments, not on criteria divorced from their own efforts. **Equality before the law** as a principle refers to all individuals receiving equal treatment and due process under the law. The right to legal representation and the public support of legal services for the poor reflect societal efforts to ensure greater equality before the law.

There are two facets that constitute **equality of opportunity** as an ideal. **Formal equality of opportunity** represents a “standard of decision-making, stipulating that all people be treated the same, except when distinctions can be explicitly justified. This standard has been used to define fairness in lending, housing, hiring, wage and salary levels, job promotion, voting rights, and other concerns. Artificial barriers, prejudices, and personal preferences should neither restrict nor enhance opportunities for anyone” (De Vries, 2005). The focus on “equal treatment” and the opposition to “artificial barriers” is consistent with the ideals of social equality and equality before the law.

The second facet is known as **substantive equality of opportunity**. In addition to ensuring that individuals are judged fairly on their merits, substantive equality of opportunity calls upon society to “provide good enough opportunities for all its members to develop their native talents so as to become qualified for competitive positions. The idea here would be that there is some threshold level of opportunity to develop one’s native talents into skills to which all are entitled” (Arneson, 2002). Americans have strongly supported public efforts aimed at giving all its citizens opportunities to cultivate and expand their capabilities. Laws requiring that all children receive a basic education extend back to the colonial period of American history. “The whole thrust in making a good education broadly available is bringing, as the ideal, all segments of the public to the starting line with more or less an equal chance to succeed. Extending education enlarges opportunity, but, at the same time, doesn’t guarantee success” (Ladd, 1994, 41).

While these ideals have informed political debate and the substance of policy, Americans generally have not supported governmental efforts to ensure greater equality of results. Though all taxation and expenditure policies unavoidably result in a redistribution of income, Americans have not viewed the reduction of income inequality as a legitimate goal of governmental policy. Arguments supporting progressive taxation traditionally have been based on attaining a “fair” distribution of the tax burden rather than as a means of redistributing income from the rich to the poor. The goal of anti-poverty programs like welfare is to provide some minimal economic support to those unable to fend for themselves but do not represent a legitimate means of narrowing income inequality (Plattner, 1979).
Most Americans strongly believe that those who work hard fully deserve the rewards they receive for their efforts. Opinion polls taken during different time periods in American history have shown a remarkable consistency in American attitudes towards governmental efforts that redistribute income to remedy economic inequality. In 1938, a Roper Organization poll asked respondents whether a top limit should be placed on income with any excess income coming to the government as tax revenue. Despite the economic hardships of the Great Depression, only one-third of respondents supported such a limit (Ladd, 1994, 41).

**Inequality and Economic Mobility**

Not only are policies that reduce income inequality through income redistribution inconsistent with American values, most economists believe that such attempts would be harmful to economic growth. In *Equality and Efficiency: The Big Tradeoff*, economist Arthur Okun described the problem with efforts to achieve income equality. “In pursuing such a goal, society would forego any opportunity to use material rewards as incentives to production. And that would lead to inefficiencies that would be harmful to the welfare of the majority. And any insistence on carving the pie into equal slices would shrink the size of the pie” (Okun, 1975, 48).

Unequal incomes represent the carrots and sticks that ensure that resources are employed in their most productive uses. Because the rich save and invest more of their income, income inequality also supports a wealth accumulation process that fuels economic expansion and job creation. Some degree of income inequality is therefore a necessary component of a rapidly growing economy which can improve the standard of living for all income groups because it expands the economic pie. Though a rising tide lifts all boats, it is reasonable to expect that the yachts ascend further than the dinghies if the actions of yacht owners largely are responsible for the rising tide.

Despite the recognition of the economic importance of income inequality, a number of recent studies suggest that its sharp rise over the last thirty years has not enhanced incentives for productive effort and may reflect growing inefficiencies in the economy. Such an increase in inequality would be less problematic if accompanied by high rates of economic mobility so that a significant proportion of people who start off earning low incomes move into higher income categories over time. These studies, unfortunately, paint a picture of an economy characterized by both increasing income equality and declining income mobility during this period. The decline in income mobility is particularly troubling because it may indicate a decline in *substantive equality of opportunity* during this period.

One way of measuring economic mobility is by examining *intragenerational* mobility. Intragenerational mobility measures the “likelihood that a person will move from one segment of the income distribution to another” (Zingales, 2012, 26). Some studies show a decline in intragenerational mobility since the 1970s. “In the 1990s, … 36 percent of those who started in
the second poorest quintile of the income distribution stayed there, versus 32 percent in the 1980s and 28 percent in the 1970s” (Zingales, 2012, 26).

Most studies analyzing income mobility focus on *intergenerational mobility* which measures the correlation of parents’ incomes with their children’s earnings. The idea here is to determine whether a parent’s income is a good predictor of their children’s income. “In a society with broad equality of opportunity, the parents’ position on the income ladder should have little impact on that of their children.” (The Economist, 2012, 10).

A well-accepted statistic for intergenerational mobility is *intergenerational elasticity in earnings (IGE)*. The IGE is “the percentage difference in earnings in the child’s generation associate with the percentage difference in the parental generation. For example, an [IGE] of .6 tells us that if one father makes 100% more than another then the son of the high income father will, as an adult, earn 60% more than the son of the relatively lower income father. An elasticity of 0.2 says this 100% difference between fathers would only lead to a 20% difference between the sons. A lower elasticity means a society with more mobility” (Corak, 2011, 2).

Economists Daniel Aaronson and Bhashkar Mazumder calculated US IGE estimates for each decade from 1940 to 2000. The figures below show that IGE declined from 1940 to 1980 but increased dramatically in the 1990s and 2000s. These results imply that economic mobility increased for the first four decades of their survey and dramatically fell during the last two decades (Aaronson and Mazumder, 2007).

**Elasticities between parental income and sons' earnings, 1950–2000**

![Elasticities between parental income and sons' earnings, 1950–2000](image)

Note: The higher the intergenerational elasticity (IGE), the lower the extent of mobility. The IGEs shown are for 40- to 44-year-old sons.

Source: Authors' analysis of Aaronson and Mazumder (2007, Table 1)
In a different study, economist Miles Corak calculated estimates of intergenerational elasticity between father and son earnings for twenty-two countries, including the United States. Cross-country comparisons show that the United States does not compare favorably with most developed countries. Of the OECD nations, only Great Britain and Italy score lower than the United States with regard to economic mobility. The significant difference in IGE scores between the United States (0.47) and Canada (0.19) is particularly striking, given the relative cultural similarities between the two nations (Corak, 2011). The relatively poor performance of the United States seems to contradict American notions that see the United States as almost uniquely the land of opportunity.

**Intergenerational correlations between the earnings of fathers and sons in OECD countries**

Note: The higher the intergenerational elasticity, the lower the extent of mobility.

Source: Adapted from Corak (2011, Figure 1)

Perhaps Corak’s most interesting results are given in the next figure. Here, Corak “plots the intergenerational earnings elasticities [of 22 countries] against a cross-sectional measure of inequality (the Gini Coefficient)” (Corak, 2011, 5). The figure clearly indicates that countries with high degrees of income inequality also suffer from low rates of intergenerational mobility.
While Corak’s analysis does not explain the reasons for this negative correlation between income inequality and economic mobility, it does suggest that economic inequality may be self-perpetuating. “From violin lessons to tutors for tests, richer parents can invest more in their children, improving their chances of getting into the best universities” (The Economist, 2012, 22). The decentralized funding of public education in the United States translates into significant quality differences between wealthy and poor districts. “Richer neighborhoods can afford better schools, which reinforces the growing geographical gap between different social groups” (The Economist, 2012, 12).

These gaps between social groups have been accentuated by a rise in residential segregation by income over the last thirty years. A Pew Research Center study “finds that 28% of lower-income households in 2010 were located in a majority lower-income census tract, up from 23% in 1980, and that 18% of upper-income households were located in a majority upper-income census tract, up from 9% in 1980” (Fry and Taylor, 2012). Such changes are further reinforced by other social trends. “In 1960 American couples with two college-educated partners accounted for only 3% of the total. Today that figure is 25% and in the top 5% of the income distribution it is 75% (The Economist, 2012, 14).

Policy Responses

In this section, we briefly consider a number of broad policy responses to the twin problems of economic inequality and declining economic mobility. The data presented in the previous section strongly suggests that increases in economic inequality are linked to greater inequality of opportunity among its citizens. Policy responses designed to expand overall opportunity are consistent with American values and simultaneously help grow the economic pie by encouraging a more efficient use of resources. Here, we show how government can improve
outcomes by doing more in some arenas while doing less in others. Given the breadth and complexity of these issues, we only provide a brief sketch of several areas where policy changes may have a positive impact.

**Human Capital**

Earlier in the paper, we described how skill-biased technological change increased income inequality by increasing the demand for highly skilled and educated workers while reducing the demand for less skilled workers. The rising wage premium for college educated workers is strong evidence for this phenomenon. “Employers are paying the typical four-year college graduate [without graduate school] 75% more than they pay high school grads. Twenty-five years ago, they were paying 40% more” (Wessel, 2007, A2).

A skeptic of this line of reasoning could correctly point out that other periods of technological change similarly increased the demand for skilled workers yet did not lead to greater income inequality. The problem with the story we have told so far is that it focuses solely on demand without considering supply. At the start of the 20th century, for example, advances in electricity, communications, and continuous process machinery created a demand for managers, clerical workers, and highly skilled blue collar workers (Brynjolfsson and McAfee, 2011). “[O]ffice workers had to know how to operate typewriters and adding machines. They had to master bookkeeping, billing procedures, and stenography” (Noah, 2010). The education system in the United States during this era successfully accommodated this increase in demand for higher skilled workers. Workers with a high school level education had learned the skills needed to meet this new demand. “Average years of schooling increased rapidly for Americans born from 1875 to 1950 (and educated in the United States).

The wave of new computer and information technologies over the last three decades has once again increased the demand for a more highly educated workforce. Economists Erik Brynjolfsson and Andrew McAfee describe these changes. “While computers win at routine processing, repetitive arithmetic, and error-free consistency and are quickly getting better at complex communication and pattern matching, they lack intuition and creativity and are lost when asked to work even a little outside a predefined domain” (Brynjolfsson and McAfee, 2011, 55). People who possess higher order, critical thinking skills are in greater demand while moderately skilled workers are increasingly be replaced by these new technologies. “In particular, softer skills like leadership, team building, and creativity will be most important. They are the areas least likely to be automated and most in demand in a dynamic, entrepreneurial economy” (Brynjolfsson and McAfee, 2011, 63). The greater need for these kinds of skills has increased the demand for workers with college-level and graduate degrees.
The difference during this period is that supply has not kept up with demand. “A sharp slowdown in the increase of educational attainment and high school graduation rates occurred for those born after 1950. College graduation rates began to slow and high school graduation reached a plateau” (Goldin and Katz, 2010, 31). This decline in the rate of growth in educational attainment is striking. A typical American born in 1945 received two more years of schooling than their parents while educational attainment of a typical American born in 1975 exceeded their parents’ by only 6 months (Noah, 2010). The inability of the education system to adequately increase the supply of educated workers has dramatically increased the relative wages of those with college degrees.

In the meantime, much of the developed world has caught up and surpassed the United States. “The United States, once the world leader in the proportion of people finishing high school has fallen to near the bottom of the (rich and relatively rich) nations that belong to the Organization of Economic Cooperation and Development” (Goldin and Katz, 2010, 31). Though the United States leads the world in the number of students who go to college, it “has fallen from first to tenth in the share of citizens who are college graduates” (Brynjolfsson and McAfee, 2011, 61).

Debates over how to reform the educational system at all levels are widespread and are well beyond the scope of this report. We, therefore, would like to briefly mention a couple of other ways to improve educational outcomes. First, the ability of workers to update their skills throughout their working lifetimes is increasingly important in a dynamic and innovative global economy. The United States badly trails other developed economies in providing opportunities for job retraining. The United States government “spends barely more than 0.1% of GDP of ‘active labor market policies’ to get the less skilled back to work, one-fifth of the OECD average” (The Economist, 2012, 24).

Not all of the new jobs that are in great demand require a college degree from a four year institution. Greater support for technical and community colleges that possess specialized knowledge of the needs of local businesses can help provide workers with the appropriate skills to fill this demand. In addition, University of Chicago economists Raghuram Rajan and Luigi Zingales believe “there may be reason to rethink the entire structure of higher education, a system designed at a time when students typically left the university for a career with one employer. We need more modular degrees and lifelong admission to a university (at least for the general programs) – so that the student can pick and choose what she wants and when she needs it” (Rajan and Zingales, 2003, 304).

Second, scientists increasingly have recognized the critical importance of early childhood experiences in impacting the development of non-cognitive abilities like perseverance, motivation, and attentiveness. They are finding that these skills are just as important in determining future success as cognitive skills as measured by traditional IQ tests. Children growing up in disadvantaged families, however, are less likely to develop these non-cognitive skills in their home environments. By increasing non-cognitive abilities, early intervention through the provision of pre-school opportunities like HeadStart for these children has shown positive, long-term impacts on performance in later life. The development of strong non-
Investments in Infrastructure and Research & Development

Public investments in infrastructure can play a critical role in expanding economic opportunities. “In the long run, investment in infrastructure boosts productivity by enabling people and goods to get to places faster, communicate more easily, spend less time and money on repairs and so on. One recent study found that the construction of a road typically led to an increase in economic activity between three and eight times bigger than the initial outlay within eight years after its completion” (The Economists, 2013, 13). The American Society of Civil Engineers (ASCE) recently gave the United States a grade of D on the overall state of its infrastructure (Brynjolfsson and McAfee, 2011, 67). The ASCE also found that in 2009 traffic delays cost Americans over $78 billion in wasted time and gasoline with an additional $67 billion going to car repair attributable to poor road conditions (The Economist, 2013, 13).

The recent fiscal crises at both the federal and state levels have constrained the government’s ability to tap traditional sources in funding infrastructure projects. States and municipalities, however, are creatively using “public-private partnerships” (PPP) to pay for such projects. PPPs “help pair investors with projects that will generate a revenue stream to be hypothecated to cover the cost of the original investment, plus a return” (The Economist, 2012, 14). By eliminating impediments to economic expansion, improvements in transportation and communication infrastructures promise to expand opportunities.

The creation of new knowledge from public investment in basic research and development has been an important driver of economic growth in the past. Private investment in basic research is often inadequate because of the enormous costs involved for any one firm and because the benefits are often subject to spillover effects.

For example, the government funded Human Genome Project which mapped the human genome cost taxpayers over $3.8 billion over 15 years. An industry study claims that the project “helped drive $796 billion in economic activity and raised $244 billion in personal income; it supported 310,000 jobs in 2010. These numbers may be exaggerated, but the scale of the impact is clear across such vast fields as agriculture and medicine and new areas such as gene therapy” (Zakaria, 2012). Despite the success of such investments, federal funding of basic research as a percentage of GDP has been declining for decades. “In a knowledge economy, American jobs will depend more on scientific research than they did in the 1950s, yet we spend much less as a share of GDP” (Zakaria, 2012)

Reducing Regulatory Barriers to Entry

Sometimes the best thing that government can do to expand opportunities is to get out of the way. The elimination or reduction of regulatory barriers to entry can create new opportunities to foster new business creation. “In too many industries, elaborate regulatory approvals are needed from multiple agencies at multiple levels of government. These too often
have the implicit goal of preserving rents [profits] of existing business owners at the expense of new businesses and their employees” (Brynjolfsson and McAfee, 2011, 67).

The United States’ intellectual property regimes are badly in need of reform. The large increase in the number of patents granted over the last several decades has had a dampening effect on innovation. The problem of overlapping patent rights has created a “patent thicket” that new innovators have to confront in commercializing new products and processes. The system also encourages the formation of “patent trolls.” Patent trolls are firms that buy up patents, not for manufacturing purposes but solely to engage in litigation. These developments undermine the rationale for having a patent system. The expansion in the length of term under copyright coverage under the Sonny Bono Copyright Extension Act has served the interests of existing copyright holders rather than encourage the creation of new content (Brynjolfsson and McAfee, 2011, 69).

Conclusion

In addressing the challenges of economic inequality, policy proposals should focus on advancing substantive equality of opportunity. By giving citizens opportunities to develop their own skills and capabilities, these efforts have the effect of increasing social mobility as individual’s abilities to compete for higher level positions in society improve. These policies thus can decrease economic inequality while expanding the economic pie as the potential of scarce human resources is more fully realized.

Another way to deal with income inequality is through the redistribution of income. Redistributive policies, however, face a number of problems. First, such policies are often politically infeasible because they conflict with American values. Second, the redistribution of income can dampen economic growth by distorting economic incentives. Perhaps the most important rationale for avoiding income redistribution is best described by the Nobel-Prize winning economist, James Heckman. “There are many calls to redistribute income to address poverty and promote social mobility…. [W]hile redistribution surely reduces social inequality at a point in time, it does not, by itself, improve long-term social mobility or inclusion” (Heckman, 2012, 14). Thus governmental policies need to provide people a “leg up” rather than a “hand out.”
Appendix: A

Measuring Income
CBO constructed definitions for Market income, Transfers income, and Federal taxes, (Congressional Budget Office, 2011, 37)

• Market income—includes all cash income (both taxable and tax-exempt), taxes paid by businesses (which are imputed to households as described below), and the value of income received in-kind from sources such as employer-paid health insurance premiums. The taxes paid by businesses are the imputed value of corporate income taxes (which are considered to be part of capital income) and the employer’s share of payroll taxes (which are considered to be part of labor income). They are included in the measure under the assumption that household income would have been higher by a corresponding amount in the absence of those taxes.

• Transfers income—adds cash transfer payments (such as Social Security, unemployment insurance, and welfare benefits) to market income, along with estimates of the value of in-kind benefits (from Medicare, Medicaid, the Children’s Health Insurance Program (CHIP), the Supplemental Nutrition Assistance Program (formerly known as the Food Stamp program), and other programs).
• Federal individual and corporate income taxes, social insurance (payroll) taxes, and excise taxes. In this analysis, CBO did not subtract other federal taxes (such as estate and gift taxes) or state and local taxes in constructing after-tax income
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GLOBAL ECONOMIC ANALYSIS OF CHINA, RUSSIA, AND INDIA

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Abstract

Globalization has altered the economic conditions and nature of the state. The nexus of global economic, diplomatic, and military activity that shifted the Bretton Woods system formed global trading regimes into stateless corporations that influence national sovereignty and international strategies for emerging markets. Scholars argue that national interests among emerging developing countries to expand domestic economic power reshape the geo-political and military landscape (Friedman, 2009). More importantly, international marketers must understand that as indigenous industrial and service capacities of developing countries mature, national interests to balance domestic consumer demand and global markets will shape the sustained economic growth. (Cateora, Gilly, & Graham, 2009).

Therefore, identifying Russia, China, and India as emerging countries the author pursued a brief literature review. Subsequently, the author argues that India possesses the greatest potential of sustained growth from 2010 to 2020 and will shape the international economic stage. This paper will begin by outlining the metrics of emerging markets as international marketers explore the dynamic capabilities of other countries, the influence of foreign direct investment inflows on economic growth (Bloom, 2011; Friedman, 2009; Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece, Winter, 2007; Spero & Hart, 2003). The author argues that in the long term India will not only shape economic international markets but also poised politically and economically to model capitalism within the Pacific Rim and throughout Eurasia. Moreover, the author addresses a number of challenges and barriers that India may encounter to sustain a competitive advantage within the international marketplace.
the continued liberalization of national economies and the removal of barriers to international economic flows" (Spero & Hart, 2003, p. 391). Scholars argued that national interests among emerging developing countries to expand domestic economic power reshape the geo-political and military landscape (Friedman, 2009). To illustrate, Gompert and Saunders (2011) suggest that "the lessons Chinese elites have derived from this 'century of humiliation' include the importance of economic development and a strong military for national survival, summarized by the goal of a 'rich country, strong army'" (p. 40). This study is important for international marketers to understand that as indigenous industrial and service capacities of developing countries mature, national interests to balance domestic consumer demand and global markets will shape the sustained economic growth of developing countries (Cateora, Gilly, & Graham, 2009).

Therefore, the author pursued a brief literature review that identified Russia, China, and India as emerging countries. Subsequently, the author argues that India possesses the greatest potential of sustained growth from 2010 to 2020 and will reshape the international economic stage. Goddard (2012) states that "although the Indian economy is only a fourth the size of China, some economist predict that their [GDP] growth rate could surpass China's by 2013 and expand even faster than other large nations during the next 25 years" (p. 23). This paper will begin by outlining the metrics of emerging markets as international marketers explore the dynamic capabilities of other countries, the influence of foreign direct investment inflows on economic growth (Bloom, 2011; Friedman, 2009; Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece, Winter, 2007; Spero & Hart, 2003). The author argues that in the long term India will not only shape economic international markets but also poised politically and economically to model capitalism within the Pacific Rim and throughout Eurasia. Moreover, the author addresses a number of challenges and barriers that India may encounter to sustain a competitive advantage within the international marketplace.

**Emerging Market Metrics**

The literature on emerging markets suggests that there are eight metrics marketers use to assess that will sustain developing countries as international players on the world stage. Cateora and Gilly and Graham (2009) noted the following benchmarks as metrics that identify emerging markets within the international economic system:

> Are all geographically large, have significant populations, represent sizable markets for a wide range of products, have strong rates of growth or the potential for significant growth, have undertaken significant programs of economic reform, are of major political importance within their regions, are regional economic drivers, will engender further expansion in neighboring markets as they grow. (p. 262)

**Demographic Markets**

A number of studies have demonstrated that demographics are an important variable that international marketers measure as an economic driver in developing countries. In the context of geographic area, significant population, range of market products, and market growth, this article argues that as demographics impact consumer demand for products and services it will also shape labor and social resources and trade in order to sustain economic growth. The author argues that India is positioned to exploit these indicators as an instrument of sustainable economic development in the long term (Bloom, 2011; Cateora et al., 2009; Gompert & Saunders, 2011). To illustrate, scholars contend that China and India account for two thirds of the developing world's population with over 4 Billion inhabitants (Goddard, 2012). In contrast, the demographic population of Russia is less than 150 million inhabitants (Beck, Kamps, & Mileva, 2007). Literature noted that Russia satisfies several of the metrics of developing countries annotated above (Cateora et al., 2009). However, Baylis and Smith and Owens (2008) and Beck and Kamps and Mileva (2007) and Spero and Hart (2003) noted that Russia's declining population adversely
impacts the available human capital resources that sustains economic growth. The author argues that the potential for parity of Russia as an emerging market does not rise to the economic significance to China or India.

Researchers agree that China's large geographic area, demographic population, and despite China's one child policy, possesses a greater economic growth pathway than any developing country (Cateora et al., 2009; Goddard, 2012; Spero & Hart, 2003). Bloom (2011) states that with China's more flexible labor markets; higher rates of female labor force participation, more educated women, and more open attitudes about women working; less literacy in general; better infrastructure; more internal migration...and a higher degree of urbanization, more openness to foreign trade, and slightly higher rates of coverage by public pensions. (p. 19) Baylis and Smith and Owens (2008) and Gryczka (2010) suggest that while it may be valid that China significantly satisfies the metrics of emerging markets in the short term. In the long run, researchers argue that "in comparison to India, China's prospects for sustained economic growth might be curtailed by shifting demographics" (Bloom, 2011, p. 19). To illustrate, Goddard (2012) states that while India's demographic policies are within the "healthy 2.1 rate, China's rate is already unhealthy and trending in the wrong direction. India will be a ready source of cheap labor for the world's manufacturers to depend on and will supplant Chinese manufacturing in that role" (p. 24). Therefore, the author argues that in the long term India's demographic trend will grow twice the amount of China and will provide not only an adequate supply of educated and skilled workforce but also reconfigure tangible assets that international marketers in the planning process may exploit to sustain the firms competitive advantage (Cateora et al., 2009; Helfat, et al., 2007). Specifically, Goddard (2012) states that "while the Northern Asian nations are becoming older, wealthier, and high value manufacturers, the opposite characterizes China's neighbor to the east India" (p. 23). India is not only long term postured demographically to sustain sizable markets and strong economic growth rates beyond China but also outperform Russia in the international marketplace.

Vijayakumar and Sridharan and Rao (2010) and Friedman (2009) argue that with the demographic decline of China by 2015, and with the advent of the collapse of the Soviet Union, the Russian economy was in chaos and disarray. As a result, the "economic reforms had made it dependent on the West" (Baylis, Smith, & Owens, 2008, p. 79). One of the biggest challenges for international marketers conducting business in Russia is assessing the impact of a declining labor supply and continuing underperformance in terms of human capital on the firm's value creation capabilities (Bloom, 2011; Helfat et al., 2007). The problem with this argument is scholars suggests that while the growth of the Russian Federation will continue as an emerging player on the world economic stage, challenge rests with the demonstration of economic policies that enhance production capabilities beyond the dependency of natural resources, improves macroeconomic policies on wage growth and creation of consumer demand as economic drivers for international marketers to strategically initiate long term investments (Bloom, 2011; Cateora et al., 2009; Spero & Hart, 2003). Literature noted that Russia is limited to its natural resources to exert regional political influence within Europe and Asia, small population growth, and diverse capabilities of economic activity (Cateora et al., 2009; Spero & Hart, 2003). However, the author believes that as international marketers develop capability requirements in the firms marketing plans the limited dynamic capability metrics of emerging markets and economic growth within Russia are unsustainable in the long run (Beck et al., 2007; Cateora et al., 2009; Helfat et al., 2007).

Subsequently, the author argues that the strategic implication for China's sustained economic growth will require policies to rebalance both the working age distribution and one
child policy (Baylis et al., 2008; Cateora et al., 2009). As a result, China will export human capital and resource based capabilities to India, Africa, or other regional players for cheap labor in order to maintain a competitive advantage. Moreover, the literature suggests that India is positioned for cross border and alliance based relational capabilities that enhance economic growth in the long run (Cateora et al., 2009; Goddard, 2012; Helfat et al., 2007). Researchers note that as domestic firms cross borders toward gaining access to transfer managerial knowledge, expanding its resource base with complementary capabilities, and value creation of production processes, international marketers recognize India as a design space for economic growth (Bloom, 2011; Cateora et al., 2009; Helfat et al., 2007). That said, the long term strategic implication of conducting business in India is for global marketers to view India's demographic enhance that not only increases its operational capabilities and exploits cheap labor but also export the creation of new products and production processes from domestic markets to the international markets into the firm's strategic planning and implementation processes (Bloom, 2011; Cateora et al., 2009; Helfat et al., 2007).

Literature noted that as multinational corporations (MNC) extend domestic products and services into foreign markets through joint ventures or acquisitions, senior leaders must analyze the demographic resource base impact on the uncertainty of the economic environment in order to sustain a competitive advantage (Helfat et al., 2007; Cateora et al., 2009). Therefore, the author argues the demographic advantage in designing marketing mix throughout the corporate, strategic, and tactical operations in India over China or Russia is to leverage not only the sustained well educated cheap labor workforce and technological innovation in cross border business communications but also the economic integration of manufacturing, distribution of supply channels, and larger consumer demand through regional trade agreements (Cateora et al., 2009). Strategically, the international marketing implications for India is that "as a country develops, incomes changes, population concentrations shift, expectations for a better life adjust to higher standards, new infrastructures evolve, and social capital investments are made" (Cateora et al., 2009, p. 271). Consequently, demographics are not only an important indicator as a metric of emerging markets within developing countries but also trade and infusion of foreign direct investment.

**Trade and FDI**

According to Helfat et al (2007), “many firms need to search across national borders to gain access to the new resources that they require in order to compete in their evolving industries" (p. 84). This is particularly relevant as research demonstrated that since the end of Bretton Woods, within a countries techno-industrial base it was the market that set the currency values influencing the expansion of global marketing strategies (Morton, 2011; Spero & Hart, 2003). "One of the most significant changes in the era of globalization was the broadening geographic reach of international financial markets" (Spero & Hart, 2003, p. 44). This lends weight to the argument that a byproduct of globalization is that not only are states losing control to shape economic interactions but also that the indicator of the globalization of financial markets rests through foreign direct investment(FDI) framework (Baylis et al., 2008; Spero & Hart, 2003). Noteworthy, the literature argues that "FDI is now recognized as one of the most important sources of much needed capital and managerial, technical and marketing know-how not only in the manufacturing industry, but also in services and the resource based industry" (Spero & Hart, 2003, p.104). This point is particularly relevant as previous studies have suggested that as corporations align strategic decisions with organizational objectives technological innovation have reconfigured the international planning processes from traditional hierarchical frameworks to that of network capabilities (Cateora et al., 2009; Friedman, 2009). This becomes clear when one examines that these capabilities enables corporations to flatten organizational structures,
accelerate global manufacturing strategies, expand domestic markets by exporting either directly or indirectly into international markets, and integrate distribution supply channels as resources cross borders to sustain a competitive advantage (Baylis et al., 2008; Cateora et al., 2009; Spero & Hart, 2003). Although it may well be true that within transnational corporations the technological innovations have reconfigured the international planning mix, it is important to not to overlook the argument that a nation states political policy interests influence the financial flows of international trade and FDI donor through liberal trade and investment strategies, exchange rate policies, regional free trade zones, and structural adjustment policies to shape a firm's comparative economic advantage (Baylis et al., 2008; Spero & Hart, 2003).

This raises the question of whether there is a dependency between the nation state and corporate interests that international marketers must navigate all the way through in the marketing process. Cateora and Gilly and Graham (2009) that argues an increasing number of countries are encouraging foreign investment with specific guidelines aimed toward economic goals. Multinational corporations may be expected to create local employment, transfer technology, generate export sales, stimulate growth and development of local industry, conserve foreign exchange, or meet a combination of these expectations as a requirement for market concessions. Recent investments in China, India, and the former republics of the Soviet Union include provisions stipulating specific contributions to economic goals of the country that must be made by foreign investors. (Cateora et al., 2009, p. 181, 182)

There is evidence in the literature that argues FDI is an important external variable for the international marketer (Pestova, Sukhareva & Solntsev, 2011) and plays an integral role for economic reforms (Cateora et al., 2009). Baylis et al. (2008) argues this is particularly important as developing countries expand their regional and international political economic (IPE) influence for long term sustained growth from 2010 to 2020.

Consequently, at this point, it is worth exploring the influence of the India, China, and Russian Federation FDI activity as an external input for international marketers to shape the planning cycles of market entry (Cateora et al., 2009). While it may well be valid that "states are losing power in a global economic order in which state borders and governments are less influential" (Baylis et al., 2008). This study argues the critical role of governmental policies in liberalizing trade and FDI activity that provides movement of cross border corporate portfolio investments (Pestova et al., 2011), communications, fixed assets, and human capital free from state-imposed controls into the international planning mix (Cateora et al., 2009). The author argues the effectiveness of the planning functions for global marketers are dependent reliant on the cooperative integration between host governmental leaders, transnational business leaders, and overseas leaders to create new markets in order to target products and services that satisfies domestic consumer demand through economic agreements. To illustrate, Baylis and Smith and Owens (2008) and Cateora and Gilly and Graham (2009) argued that the establishment of an Association of Southeast Asian Nations (ASEAN) involving China and India promotes economic arrangements and multilateral trading systems. These economic arrangement are where governments commit to liberalized free trade policies, deregulate manufacturing and service industries, and single market free of tariffs in sustaining regional growth affecting many aspects of the international marketing mix. Moreover, the economic competition between Russia and China formed the Commonwealth of Independent States (CIS) and Shanghai Cooperation Organization promoting economic alliances and integration of economic transactions (Baylis et al., 2008; Cateora et al., 2009). One of the most obvious consequences of the economic arrangement for global marketers is integrating the design mix that balances corporate interests with government interests within free trade zones.
Scholars makes a strong case that China's and Russian Federation political reforms influenced economic reforms and the interest in FDI and joint ventures from MNCs. This becomes clear when one examines that China remained a highly centralized, socialist system (Wei, 2005). Scholars debated that as China balances the transition from state owned trade corporations to decentralization of the central trade authority, FDI will play a critical role in economic growth as international marketers leverage the dynamic capabilities within the manufacturing industries (Gryczka, 2010; Wei, 2005). Wei (2005) and Freidman (2009) made a strong argument that China’s economic reforms produced greater aggregate economic growth than the economic reforms undertaken in Russia. China grew primarily because prior to the economic reforms, it was much less developed, more heavily dependent on agriculture, benefiting greatly from agricultural reforms and the movement of rural workers to the cities. Studies have shown that there was much less privatization of state enterprises in China than in Russia (Freidman, 2009). In addition, China was more careful that Russia to pursue its reforms in a context of macroeconomic stability (Wei, 2005). As a result, to pursue a more active trade policy, China restructured its foreign trade by joining the International Monetary Fund and World Bank in the early 1980s which opened up the inward flows of FDI and provided a rapid growth of the economy (Gryczka, 2010; Vijayakumar et al., 2010). However, Spero and Hart (2003) contend that China continues to maintain "restrictive foreign exchange regulations that hindered foreign investment and profit repatriation" (p. 369). Wei (2005) argued that FDI "contributed to the rapid growth of China's merchandise exports at an annual rate of 15% between 1989 and 2001" (p. 720). Whereas, the FDI activity within the Russian Federation has been low as human capital shifted from manufacturing to natural resources (Beck et al., 2007). Contrary to China, the Russian Federation's transition from a centrally planned to market-based economy led to a contraction in economic growth (Beck et al., 2007). The author’s point of view is the challenge for global marketers is that navigation of the Russian bureaucracy constrains foreign investors to do business in Russia. The sectorial and demographic composition (Vijayakumar et al., 2010), political governance policies to encourage foreign investors, and lack of innovative manufacturing and services infrastructure as economic drivers deters transnational companies from doing business in Russia. This becomes clear when one examines the argument that Russia’s future economic growth required increased FDI activity from the West. Additionally, it is true that the FDI activity of the Russian Federation is higher than CIS and China and India (Pestova et al., 2011), it is important not to overlook that as the economy is dependent on the energy sector it may prove unsustainable in the long run (Beck et al., 2007; Gryczka, 2010). Scholars agree that, while technological and manufacturing capabilities are limited, until there is greater access and diverse manufacture and service sector, the Russian economy in the long term lacks the international comparative advantage of China or India (Gryczka, 2010; Pestova et al., 2011). The literature review seems to overwhelmingly suggest that Russia is not as attractive for global marketers as China and India.

The comparative analysis between China and India reflected similar economic determinants for global marketers to consider. Vijayakumar et al. (2010) provided empirical analysis that governmental policy and economic determinants to attract FDI inflows between China and India such as market size, economic stability, growth prospects, and cost of labor, trade openness, and infrastructure will drive planning factors and the decision calculus as an entry point for global marketers. Therefore, the author argues that, as previously discussed, FDI played not only a critical role in stimulating the manufacturing sector for China but also the long term economic growth prospects, the tension between political interests and market demands, and labor costs limited long term economic growth. In India, by contrast, FDI has been much less important as an economic driver where the service sector and information technology are the
economic drivers (Wei, 2005). Much of the literature argued that China is not only more externally business oriented, better FDI policy framework, and higher consumer demand than India (Wei, 2005) but also China's political environment toward market driven structures is unstable in the long term (Friedman, 2009). Conversely, Gryczka (2010) and Vijayakumar and Sridharan and Rao (2010) argues that as India is not only more restrictive to FDI inflows, internally business oriented, and more politically open to economic reforms than China, it's more highly skilled low wage labor force shapes a creative economic base that attracts foreign direct investment inflows to influence regional players. To illustrate, Goddard (2012) argues that "Chinese firms may establish factories in India to take advantage of cheap labor where they would lose a good portion of the profit from self-manufacturing, but retain a small, yet significant margin from the ownership of manufacturing" (p. 24). The author, in line with the literature review, suggests that in the long run the decision calculus for global marketers is to expand the dynamic capabilities and profitability of transnational corporations in India in order to sustain a competitive advantage.

**Challenges and Barriers**

There are two significant challenges and barriers that global marketers must address in all three countries. As multinational corporations explore entering into new markets, one of the significant challenges is navigating through the cultural, sub-cultural, and organizational barriers (Cateora et al., 2009). Note that culture can either make or break an international marketing plan. It is clear that planning the design mix the international marketer must recognize the ethnocentric behaviors in order to deter misunderstanding that affect the intra-business and intergovernmental relationships (Cateora et al., 2009; Vijayakumar et al., 2010). Literature shows a significant cross-cultural and organizational barrier will occur if global marketers fail to integrate different social structures into acquisition-based operations, foster alliance-based relational capabilities for continual business negotiations, and firm specific transfer of managerial knowledge into the marketing process as an intangible asset to sustain a competitive advantage (Cateora et al., 2009; Helfat et al., 2007). To illustrate, research showed that China and India has highest collectivism attitude where the role of religion and family values influence their business practices (Cateora et al., 2009; Goddard, 2012). Whereas, Russia has a higher individualism attitude with minimal religious influence on business activity (Beck et al., 2007; Cateora et al., 2009). In essence, the cross-cultural barrier derived from ethnocentric behavior influences not only the firms cross-cultural negotiations to enter new markets but also impacts communicating with decision makers on consumer demand (Cateora et al., 2009).

In addition, one of the uncontrollable elements influencing a firm’s entry into foreign markets is the political environment between domestic and host governments policies (Cateora et al., 2009). One could argue that governments use economic mechanisms as leverage to enforce foreign policy goals. To put it another way, governmental policy of economic sanctions, trade embargoes, import and export restrictions, currency manipulations, and increase tariffs on goods and services are uncontrollable events that are challenges for entering into new markets (Cateora et al., 2009). In Kotwal and Ramaswami and Wadhwa (2011) it is argued that as firms import equipment they did not have access to, “having access to foreign technology and equipment, and the freedom to use it, would give Indian firms an opportunity to first jump the technology gap (p. 1156). However, restrictions on the domestic and foreign sector “were implemented via investment licensing by which the central government permission was needed for investment by incumbents as well as by prospective entrants” (Kotwal et al., 2011, p. 1158). The view of the author is that development of country-specific strategic profiles addressing the socio-political environment and economic risks, cultural awareness protocols, and domestic and market entry
competition should be a critical element of the international marketers planning process (Cateora et al., 2009). This is critical as marketers enter into new markets and expand the dynamic capability portfolio to sustain the firms’ competitive advantage.

**Conclusion**

Studies have shown that “pressures from globalization along with changes in regulations and technological factors have resulted in firms reaching out to partners to access their complementary capabilities” (Helfat et al., 2007, p. 65). The central question to be examined in this paper is that as an emerging country, the identification of India, Russia, and China’s competitive advantage in the global marketplace. After a brief literature review, a number of key issues have been addressed in this study. First, author argued that international marketers assess market entry by eight benchmarks. Arguments showed that India’s demographic population, low wages
References


BAD JOB, HAPPY RETIREMENT? JOB CHARACTERISTICS AND RETIREMENT SATISFACTION FOR UNION AND NON-UNION WORKERS

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ABSTRACT

The study examines the effect of prior job characteristics on retirement satisfaction for union and non-union retirees. The author finds differential effects across union status. Union members retiring from high skill blue-collar jobs, jobs that required skill working with others, did not require keeping pace with others, and gave freedom to decide how work was done are more likely to be very satisfied with retirement. Non-union members who retired from high skill blue-collar jobs, jobs that required stooping, were stressful, or did not require using computers are less likely to be very satisfied with retirement. The differences for high skill blue-collar jobs, stooping or crouching, skill working with others, and keeping pace with others are significantly different across union status. The results suggest that unions may protect employees from being pushed into less satisfying retirements, but may hinder the acquisition of skills on the job that make retirement more satisfying.

INTRODUCTION

In 2010, the median age in the United States rose to an all-time high of 37.2 years, up from 30.0 in 1980. Driving the increase was a shift in the fraction of the population aged 45 or older, which increased from 30.9% in 1980 to 39.4% in 2010. Within this distribution the portion of the population entering the traditional retirement ages of 62 and over has recently increased significantly, growing by 21.1% since 2000 (Howden and Meyer, 2011). While many of these older Americans will likely retire at later ages than earlier generations, the trends still show a large and growing portion of the population is, or may soon be, experiencing retirement.

Given the trend towards an aging population, in order to understand the well-being of many Americans it is important to understand their satisfaction with retirement. Although arguably smaller than the body of work examining the financial adequacy of retirees, there is a growing body of literature exploring determinants of retirement satisfaction. In terms of what leads to greater satisfaction with retirement, the most consistent findings across studies are for good health (Bender, 2004; Calasanti, 1996; Dorfman, 1989; Elder and Rudoph, 1999; Fouquereau et al., 2005; Neuman, 2011; Panis, 2003; Quick and Moen, 1998; Smith and Moen, 2004; Szinovacz and Davey, 2005), voluntary retirement (Bender, 2004; Elder and Rudolph, 1999; Hardy and Quadagno, 1995; Neuman, 2011; Quick and Moen, 1998; Schultz, Morton, and Weckerle, 1998; Szinovacz and Davey, 2005), and greater income (Bender, 2004; Elder and Rudolph, 1999; Hardy and Quadagno, 1995; Neuman, 2011; Panis, 2003; Quick and Moen, 1998; Smith and Moen, 2004; Szinovacz and Davey, 2005). In terms of basic demographic factors, being a woman (Bender, 2004; Calasanti, 1996; Neuman, 2011; Richardson and Kilty, 1991; Smith and Moen, 2004) and being married (Bender, 2004; Calasanti, 1996; Elder and Rudolph, 1999; Fouquereau et al., 2005; Neuman, 2011; Price and Joo, 2005) have also been found to increase retirement satisfaction. Subsets of studies have examined more specific influences, for example finding that satisfaction is increased by annuities and traditional defined benefit pensions (Bender, 2004; Neuman, 2011; Panis, 2003), by planning for retirement (Dorfman, 1989; Elder and Rudolph, 1999; Neuman, 2011; Quick and Moen, 1998; Spiegel and Schultz, 2003), and by satisfied income expectations (Bender, 2004; Calasanti, 1996; Dorfman, 1989). Overall the studies provide valuable information about who tends to experience a more satisfying retirement, and who needs help adjusting to their retirement experience.

Despite the range of issues investigated in prior work, a deficiency in knowledge exists concerning the effect of prior job characteristics on retirement satisfaction. This paper addresses the gap in the literature, exploiting a detailed set of job characteristics to examine whether the nature of the individual’s pre-retirement job has an impact on later retirement satisfaction for union and non-union retirees. The gap in the literature is notable as the
decision to retire should distinctly be influenced by the nature of the individual’s pre-retirement work. By impacting the retirement decision job characteristics may have lasting effects on satisfaction even after workers have left their positions. Differences across union status are also quite possible as union members tend to be different people than non-union members and unions may influence the effect of a given job characteristic on the worker. The effect by union status is valuable information as it would illustrate another possible effect of unions in the workplace.

A few studies have examined aspects of the pre-retirement job finding that retirement satisfaction is increased for individuals who enjoyed prior work (Quick and Moen, 1998) and had high occupational prestige (Richardson and Kilty, 1991). Another study found no effect of occupational attachment (Taylor et al., 2007). The most noteworthy attempt to look at the effect of job characteristics primarily focused on whether prior union membership had an effect on retirement satisfaction, but also included a set of variables describing conditions on the pre-retirement job (Neuman, 2011). Union membership was not found to have a direct effect on retirement satisfaction, but it did have an indirect effect by increasing the provision of defined benefit pensions and by reducing the incidence of involuntary retirement for union members. The study also found that stooping or crouching and stress on the job decreased later retirement satisfaction, while working with computers increased retirement satisfaction (Neuman, 2011). The current study significantly extends these prior works by employing a much broader set of job characteristics and also by looking for differential effects by union membership. While the study by Neuman (2011) did look for a union effect, it did not examine whether the retirement satisfaction of union workers was influenced by different factors than that of non-union workers. Overall a detailed examination of the effect of job characteristics can highlight which workers may have the toughest time creating a satisfying retirement experience.

THEORETICAL EFFECTS OF JOB CHARACTERISTICS

The theoretical basis for the nature of an individual’s job influencing later retirement satisfaction lies within its influence on the retirement decision. A simple model of retirement suggests that an individual should retire when the expected utility from working falls below the expected utility from retiring. Changes in the determination of either expected utility should have effects on the final retirement decision made by the individual. However, retirement satisfaction should mainly be driven by the utility the individual expects to derive from living in the retirement state. An individual who decides to retire because the expected utility of continuing to work has declined, should have a lower level of retirement satisfaction than an individual who decides to retire because the expected utility of retiring has increased. In the literature this distinction is referred to as being “pushed” versus “pulled” into retirement (Schultz, Morton, and Weckerle, 1998). Within this framework for the retirement decision the influences on the relevant expected utilities are quite numerous, but it seems reasonable that the nature of an individual’s job will be a strong determinant of the expected utility from continuing to work. Given the influence of job characteristics on the retirement decision the theory suggests that the nature of individuals’ jobs may have persistent effects on subsequent retirement satisfaction.

Using an example framed in terms of job characteristics, if a negative characteristic such as stressful work reduces the expected utility from continuing to work this makes retirement more likely for the individual who experiences the stress than for the individual who does not. For the individual who does not experience the stressful work to retire they would have to be pulled into retirement by an increase in the utility related to retirement. Comparing the satisfaction with retirement across individuals, the different motivation of the retirement decision would make retirement relatively less satisfying for the individual who was pushed into retirement by stressful work. Alternatively, if a positive job characteristic such as working with friendly people increases the expected utility from continuing to work this makes retirement less likely than for an individual who does not work with friendly people. Given the greater utility related to working, the individual who enjoys work more will only retire when something increases the expected utility from retirement and pulls them into retirement. As with the example for negative job characteristics above, the different motivation for the individuals’ retirement should mean a different satisfaction with the retirement state, with the individual pulled into retirement from a job with greater utility experiencing greater satisfaction even after leaving their job.

The satisfaction differential may be exacerbated if a job characteristic not only influences the expected utility from continuing to work, but also the expected utility from retirement. For example, an individual who performs repetitive, monotonous work which is interrelated to work performed by others may have little control or
discretion about how, when, or how fast the job is done. This type of work may decrease the expected utility from continuing to work. However, individuals in these situations may not have developed, or may have lost, the ability to choose between alternative uses of their time to allocate their time to various activities, a skill which will be very valuable once they are given the quantity of free time associated with retirement. For these individuals the inability to determine the course of their own days may actually decrease the utility from retirement. These individuals may be pushed into retirement, which tends to make the experience less satisfying, but of itself retirement might be less satisfying due to a failure to acquire time management skills. The opposite could be true for those who do enjoy a great amount of discretion and freedom on the job. The greater on the job autonomy may make work more satisfying, but also may teach a skill which is applicable during retirement to make that experience more enjoyable as well. These individuals would tend to experience greater retirement satisfaction as they are pulled into a retirement which is already more satisfying. Job characteristics such as these would influence satisfaction through their effect on the retirement decision, but would have a secondary influence by altering skill acquisition at work.

When unions are added into the workplace there is the potential for a more complicated, differential effect across union status. If union members feel that they are being harmed or discomforted by negative job characteristics they may push their leadership to address the incidence of the job characteristics during the collective bargaining process. Union leadership may be able to negotiate an adjustment in the work process to moderate the effects of a characteristic, or may be able to force a compensating increase in pay for those experiencing the negative job attribute. If unions are able to accomplish either of these goals, a union member experiencing a certain job characteristic may have a different subsequent effect than a non-union member experiencing the same characteristic.

For example, a union and a non-union job may both require a great deal of physical work. If union workers call on their leadership to address the physical work during the bargaining process they may be able to reduce the physical effects by adjusting the work environment to make the physical work more ergonomic or by providing equipment such as back braces to protect workers’ bodies. If these same accommodations are not made for non-union workers, non-union workers would experience a greater decline in utility related to work and would be more likely to be pushed into a less satisfying retirement than union workers. Even if the union is unable to change the work process to moderate the effects of a negative job characteristic, if they are able to increase pay the greater income should increase utility to compensate for the decline in utility caused by having to endure the characteristic. Non-union workers who did not experience the compensating increase in pay would once again be more likely to be pushed into a less satisfying retirement.

THE EMPIRICAL MODEL AND DATA SAMPLE

The baseline empirical model is a standard ordered probit using a three category ranking of an individual’s retirement satisfaction. Individuals were asked how satisfied they were with retirement with possible responses of very satisfied, moderately satisfied, or not at all satisfied. I code responses of very satisfied as the top response, meaning that positive coefficients increase the likelihood of being in the top satisfaction category.

I estimate the union and non-union samples jointly, interacting union status with all of the variables in the model. The use of interaction terms allows me to easily test for significant differences across union status as the simple z-score for the interaction term suffices as the statistical test. To identify union status I use a question asking if respondents are covered by a union or employee association contract. The model includes a detailed set of control variables as well as the set of job characteristics which are the focus of the study.

To estimate the model I use a sample derived from the Health and Retirement Study (HRS), including compiled HRS data contributed by RAND Corporation. The HRS follows a sample of older adults from 1992 to the most recent wave in 2010, surveying them every two years. What makes the HRS such an ideal data set for this type of analysis is the breadth of information gathered not only for demographics, but also for income and pensions, health, retirement experiences, and job characteristics. The breadth of the HRS data allows me to control for the numerous factors found in other studies while still exploring the under-researched area related to job characteristics. Prior work has usually had to either choose a small but detailed data sample focusing on a specific question, or a large but broad sample which is unable to control for important satisfaction determinants and often cannot examine detailed questions. With the data sample used, the current study most closely resembles work by Bender (2004) and Neuman (2011) with the significant contribution of the job characteristic and union/non-union analysis.
For the sample the initial selection criteria are that individuals self-report being not at all retired and are also working for pay in the initial survey wave in 1992. This selection process should remove most individuals who are already retired when first observed, and is essential in order to gather information regarding individuals’ job characteristics and pre-retirement information such as retirement planning. Without observing the individuals while they are at work I would not be able to capture the work environment in the position from which they retired. After the initial selection I then follow the individuals across successive waves of the survey. Every time individuals report being retired in the 1994-2008 surveys, and thus have a valid response for retirement satisfaction, I count it as an observation and combine them in a pooled sample. With this sampling process I have a set of retirees who have been retired for anywhere from a few days if they had retired just before the 1994 survey, to almost 16 years if they retired immediately after the 1992 survey and persisted in the sample. Given that an individual can appear in the sample more than once with this sampling process I correct for clustering by individuals in the estimation. I also include a set of indicators for each survey year. In each wave of the survey I update time variant control variables, using information from 1992 for the time invariant information. After applying all the selection criteria I have 12,967 observations overall, with 3,841 observations for union retirees and 9,126 for non-union retirees.

Information on the variables in the sample is presented in Tables 1 and 2. Variable definitions and sample year are presented in Table 1, while variable means, standard deviations, and t-statistics for equality of means across union status are presented in Table 2. The definition and characteristics of the retirement satisfaction dependent variable are presented in the top lines of the tables. Union retirees are significantly more satisfied than their non-union counterparts. The higher satisfaction of union retirees was found by Neuman (2011) as well, although the author found that the premium disappeared after controlling for the voluntariness of the retirement decision and the presence of defined benefit pensions. I include controls for these issues to account for the finding.

Information on the control variables is presented in the top panels of the tables. The set of control variables is extensive, but needs to be given the diverse set of influences on retirement satisfaction found in prior work. Along with typical demographic factors like age, sex, race/ethnicity, and education, I include a variable for how satisfied the individual is with their life overall. This variable helps to control for the fact that people who are satisfied in general, also tend to be satisfied with retirement. I include multiple measures of health, using a self-report of health as well as measures of functional limitations. A variable for the number of years the individual has been retired should capture whether satisfaction follows any adjustment path as time goes by. Two variables capture issues related directly to the retirement decision. A question asking whether the individual had thought about retirement should reflect at least some degree of retirement planning albeit an imperfect measure, while a variable for if the individual self-reported that they felt forced to retire should capture effects of involuntary retirement. Finally, I include a measure of total wealth (in 2008$) and a set of pension indicators to capture the effect of pension type. Turning to the means in Table 2, it is clear from the number of significant t-statistics presented in the last column that union and non-union retirees are very different people. The number of differences between the two groups in terms of simple demographics such as age, sex, and race, but also in terms of planning, the voluntariness of retirement, and financial issues, highlights the importance of testing for differences across union status.

Information on the detailed job characteristics is presented in the bottom panels of the tables. As a first check on the nature of an individual’s job I include basic indicators for the type of occupation, with low skill blue-collar jobs as the base group. As could be expected, the means in Table 2 show that union and non-union retirees did work in different occupations. As the focus of the study I include a much more detailed set of job characteristics that reflects the specific nature of the individual’s work within those general occupations. From the definitions in Table 1, one can see that there is a diverse set of characteristics capturing the physical nature of the work, but also the technical details of how work is structured, and the mental or social aspects of the job. This detailed information should capture the variety of dimensions of work which might influence retirement satisfaction by either pushing workers into retirement, or by cultivating skills to improve retirement.
<table>
<thead>
<tr>
<th>Variable Name</th>
<th>Variable Definition</th>
<th>Yeara</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Satisfaction</td>
<td>2=Very satisfied, 1=Moderately sat., 0=Not at all sat.</td>
<td>'94-'08</td>
</tr>
<tr>
<td>Age</td>
<td>Age of individual at observation wave</td>
<td>'94-'08</td>
</tr>
<tr>
<td>Female</td>
<td>1=Female, 0=Male</td>
<td>1992</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1=Hispanic ethnicity, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>White</td>
<td>1=White race, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Couple</td>
<td>1=Married or partnered, 0=Other</td>
<td>'94-'08</td>
</tr>
<tr>
<td>High school</td>
<td>1=High-school degree (base: less than HS degree)</td>
<td>1992</td>
</tr>
<tr>
<td>Some college</td>
<td>1=Some college education (base: less than HS degree)</td>
<td>1992</td>
</tr>
<tr>
<td>College degree</td>
<td>1=College degree or greater (base: less than HS degree)</td>
<td>1992</td>
</tr>
<tr>
<td>Satisfied with life</td>
<td>1=Very or somewhat satisfied with life overall, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Mobility limitations</td>
<td>Reports of “some difficulty” to mobility questions (max 5)</td>
<td>'94-'08</td>
</tr>
<tr>
<td>Large muscle limitations</td>
<td>Reports of “some difficulty” to muscle questions (max 4)</td>
<td>'94-'08</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>1=Health insurance from some source, 0=Other</td>
<td>'94-'08</td>
</tr>
<tr>
<td>Years Retired</td>
<td>Current wave year – self reported retirement year</td>
<td>'94-'08</td>
</tr>
<tr>
<td>Thought about ret.</td>
<td>1=Given thought to retirement prior to retiring, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Forced retirement</td>
<td>1=Self-report of feeling “forced to retire”, 0=Other</td>
<td>'94-'08</td>
</tr>
<tr>
<td>Total wealth ($10k)</td>
<td>Total wealth from all sources in 2008 $</td>
<td>'94-'08</td>
</tr>
<tr>
<td>DB pension</td>
<td>1=Defined Benefit pension from current job, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>DC pension</td>
<td>1=Defined Contribution pens. from current job, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>DB/DC combo</td>
<td>1=Combination DB/DC pens. from current job, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Undetermined pension</td>
<td>1=Pens. of undetermined type from current job, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>White-collar high skill b</td>
<td>1=Longest occupation high-skill WC (base: other BC job)</td>
<td>1992</td>
</tr>
<tr>
<td>White-collar other b</td>
<td>1=Longest occupation other WC (base: other BC job)</td>
<td>1992</td>
</tr>
<tr>
<td>Blue-collar high skill b</td>
<td>1=Longest occupation high-skill BC (base: other BC job)</td>
<td>1992</td>
</tr>
<tr>
<td>Physical effort</td>
<td>1=Job requires physical effort “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Lifting heavy loads</td>
<td>1=Job requires lift heavy loads “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Stoop or crouch</td>
<td>1=Job requires stooping “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Good eyesight</td>
<td>1=Job requires good eyesight “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Intense concentration</td>
<td>1=Job requires concentration “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Skill dealing with others</td>
<td>1=Job requires skill with others “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Use computers</td>
<td>1=Job requires computer use “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Analyze data</td>
<td>1=Job requires analyzing data “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Keep pace with others</td>
<td>1=Job requires keeping pace “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Repetitive</td>
<td>1=Job requires repetition “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Learn new things</td>
<td>1=Job requires learn new things “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Freedom to decide</td>
<td>1=Free to decide how to work “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Friendly people</td>
<td>1=People are friendly “some of the time”, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>More difficult things</td>
<td>1=“Agree” job now requires more difficult things, 0=Other</td>
<td>1992</td>
</tr>
<tr>
<td>Lot of stress</td>
<td>1=“Agree” job involves lots of stress, 0=Other</td>
<td>1992</td>
</tr>
</tbody>
</table>

* 1992 variables are constant or pre-retirement information while others are updated each survey.

* Occupation classifications follow those used by Quinn (1996).
Table 2: Union & Non-union Sample Means

<table>
<thead>
<tr>
<th>Variable Names</th>
<th>Union (N=3,841)</th>
<th>Non-Union (N=9,126)</th>
<th>t-stat For Means Equality(^a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Std. Dev.</td>
<td>Mean</td>
</tr>
<tr>
<td>Retirement Satisfaction (CONTROLS)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>66.284</td>
<td>4.951</td>
<td>66.715</td>
</tr>
<tr>
<td>Female</td>
<td>0.435</td>
<td>0.496</td>
<td>0.547</td>
</tr>
<tr>
<td>Hispanic</td>
<td>0.072</td>
<td>0.259</td>
<td>0.059</td>
</tr>
<tr>
<td>White</td>
<td>0.756</td>
<td>0.429</td>
<td>0.860</td>
</tr>
<tr>
<td>Couple</td>
<td>0.719</td>
<td>0.450</td>
<td>0.710</td>
</tr>
<tr>
<td>High school</td>
<td>0.393</td>
<td>0.489</td>
<td>0.398</td>
</tr>
<tr>
<td>Some college</td>
<td>0.160</td>
<td>0.367</td>
<td>0.213</td>
</tr>
<tr>
<td>College degree</td>
<td>0.249</td>
<td>0.432</td>
<td>0.196</td>
</tr>
<tr>
<td>Satisfied with life</td>
<td>0.934</td>
<td>0.248</td>
<td>0.933</td>
</tr>
<tr>
<td>Good health</td>
<td>0.747</td>
<td>0.435</td>
<td>0.739</td>
</tr>
<tr>
<td>Mobility limitations</td>
<td>0.878</td>
<td>1.278</td>
<td>0.984</td>
</tr>
<tr>
<td>Large muscle limitations</td>
<td>1.172</td>
<td>1.256</td>
<td>1.229</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>0.930</td>
<td>0.255</td>
<td>0.895</td>
</tr>
<tr>
<td>Years Retired</td>
<td>5.965</td>
<td>4.050</td>
<td>6.054</td>
</tr>
<tr>
<td>Thought about ret.</td>
<td>0.714</td>
<td>0.452</td>
<td>0.647</td>
</tr>
<tr>
<td>Forced retirement</td>
<td>0.195</td>
<td>0.396</td>
<td>0.272</td>
</tr>
<tr>
<td>Total wealth ($10k)</td>
<td>32.657</td>
<td>93.210</td>
<td>44.540</td>
</tr>
<tr>
<td>DB pension</td>
<td>0.745</td>
<td>0.436</td>
<td>0.377</td>
</tr>
<tr>
<td>DC pension</td>
<td>0.348</td>
<td>0.476</td>
<td>0.367</td>
</tr>
<tr>
<td>DB/DC combo</td>
<td>0.042</td>
<td>0.201</td>
<td>0.019</td>
</tr>
<tr>
<td>Undetermined pension</td>
<td>0.012</td>
<td>0.110</td>
<td>0.009</td>
</tr>
<tr>
<td>JOB</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White-collar high skill</td>
<td>0.295</td>
<td>0.456</td>
<td>0.346</td>
</tr>
<tr>
<td>White-collar other</td>
<td>0.186</td>
<td>0.389</td>
<td>0.285</td>
</tr>
<tr>
<td>Blue-collar high skill</td>
<td>0.400</td>
<td>0.490</td>
<td>0.197</td>
</tr>
<tr>
<td>Physical effort</td>
<td>0.774</td>
<td>0.418</td>
<td>0.647</td>
</tr>
<tr>
<td>Lift</td>
<td>0.502</td>
<td>0.500</td>
<td>0.407</td>
</tr>
<tr>
<td>Stoop or crouch</td>
<td>0.722</td>
<td>0.448</td>
<td>0.603</td>
</tr>
<tr>
<td>Sight</td>
<td>0.983</td>
<td>0.130</td>
<td>0.973</td>
</tr>
<tr>
<td>Concentration</td>
<td>0.982</td>
<td>0.134</td>
<td>0.971</td>
</tr>
<tr>
<td>Skill with others</td>
<td>0.964</td>
<td>0.186</td>
<td>0.970</td>
</tr>
<tr>
<td>Use computers</td>
<td>0.504</td>
<td>0.500</td>
<td>0.515</td>
</tr>
<tr>
<td>Analyze</td>
<td>0.607</td>
<td>0.488</td>
<td>0.660</td>
</tr>
<tr>
<td>Keep pace</td>
<td>0.750</td>
<td>0.433</td>
<td>0.726</td>
</tr>
<tr>
<td>Repetitive</td>
<td>0.899</td>
<td>0.301</td>
<td>0.892</td>
</tr>
<tr>
<td>Learn new things</td>
<td>0.903</td>
<td>0.297</td>
<td>0.891</td>
</tr>
<tr>
<td>Freedom to decide</td>
<td>0.861</td>
<td>0.345</td>
<td>0.896</td>
</tr>
<tr>
<td>Friendly people</td>
<td>0.982</td>
<td>0.135</td>
<td>0.983</td>
</tr>
<tr>
<td>More difficult things</td>
<td>0.591</td>
<td>0.492</td>
<td>0.544</td>
</tr>
<tr>
<td>Lot of stress</td>
<td>0.654</td>
<td>0.476</td>
<td>0.653</td>
</tr>
</tbody>
</table>

***Statistically significant at the 1% level **at the 5% level *at the 10% level (two tailed tests).
\(^a\) The t tests for equality of union and non-union means corrects for clustering by individual.
Job characteristics did vary somewhat across union status, particularly for characteristics reflecting physical work. Union retirees are significantly more likely to have retired from jobs which required physical effort, lifting heavy loads, or stooping/crouching. They are also more likely to report that their pre-retirement job required more difficult things than before. These differences are interesting because one might expect them to be characteristics which could push an individual into a less satisfying retirement. However, the higher overall satisfaction level suggests either that union workers are compensated for the work or the characteristics’ effects are moderated, or that other factors related to being in a union had positive effects on retirement satisfaction which overwhelm the job characteristic effects. Non-union retirees are more likely to have come from jobs which required analyzing data and gave them freedom to decide how the work was done. These characteristics may be areas where non-union workers develop skills that may help them during retirement. The ordered probit model should control for the variety of confounding factors present in the means to separate out the effects of these detailed job characteristics.

RESULTS

The results for the baseline ordered probit model are presented in Table 3. Because coefficients in an ordered probit model are difficult to interpret and may even have misleading signs, I report the marginal effect on the probability of reporting each satisfaction category (very satisfied, moderately satisfied, and not at all satisfied). The model coefficients and standard errors are available upon request. While the model is estimated on the joint union/non-union sample using interactions, the marginal effect results are decomposed into union and non-union samples for ease of interpretation. The union sample results are presented in the first three columns with the non-union results presented in the last three columns. The last column contains the z-scores for the union interaction terms in the full model which test for significant differences across union status.

The first thing to note regarding the results for the control variables in the top panel is the strong similarity between the union and non-union samples. In general the two samples display the same pattern of significance and sign, with only some variation in magnitudes. Only years retired, DB pension, and undetermined pension are significant at the 5% level in one sample and are not significant at any level in the other sample. It is also likely that this difference in results for the pension variables reflects the fact that union members have relatively less variation in these variables than non-union members. However, despite the difference in significance for union and non-union retirees, none of the three variables are actually significantly different across union status as shown by the z-scores in the last column.

In fact the only variables that do display significant differences across union status are having a high-school degree or having a college degree or more. Being in these two educational categories seems to increase the likelihood of reporting the highest satisfaction level for union but not non-union retirees. However, for union retirees the effect is not strongly significantly different from zero. Overall, while the means showed that union and non-union retirees had generally different demographic and financial characteristics on average, the similarity in the regression results suggests that within the union and non-union groups, retirees with similar characteristics reacted in the same manner.

The second thing to note regarding the results is that the control variables for both the union and non-union retirees generally reproduce the findings from prior research. As found previously, being in poor health and being forced to retire decrease the likelihood of reporting the highest satisfaction category. The results persist across union status and are not just highly significant, but of a large magnitude. For example, being forced to retire decreases the likelihood of reporting being very satisfied for union and non-union retirees by 23.8 and 24.4 percentage points respectively. Being satisfied with life overall is significant as well, with those reporting being satisfied with life experiencing increases in the likelihood of being very satisfied of 15.9 and 9.7 percentage points. In general, the fact that our control variable results match prior research is encouraging as it suggests that our sample is representative of the population.

Where interesting differences emerge across union status is for the job characteristics. For job characteristics we do not observe the same pattern of significance across the samples. Variables significant in one sample are insignificant in the other, except for high skill blue-collar jobs where both samples display significance but of opposite sign. The difference in significant variables suggests the model is capturing some of the theoretical reasons for a differential union effect described previously.
Table 3: Ordered Probit Marginal Effects on Satisfaction Categories, Divided into Union & Non-union

<table>
<thead>
<tr>
<th>Variable Names</th>
<th>P(very) Union</th>
<th>P(mod) Union</th>
<th>P(not) Union</th>
<th>P(very) Non-Union</th>
<th>P(mod) Non-Union</th>
<th>P(not) Non-Union</th>
<th>z-stat by Union</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTROLS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.031</td>
<td>-0.022</td>
<td>-0.009</td>
<td>0.019</td>
<td>-0.012</td>
<td>-0.007</td>
<td>0.36</td>
</tr>
<tr>
<td>Age squared</td>
<td>-0.0003</td>
<td>0.0002</td>
<td>0.0001</td>
<td>-0.0001</td>
<td>0.0001</td>
<td>0.0001</td>
<td>-0.42</td>
</tr>
<tr>
<td>Female</td>
<td>0.027</td>
<td>-0.020</td>
<td>-0.007</td>
<td>0.019</td>
<td>-0.012</td>
<td>-0.007</td>
<td>0.28</td>
</tr>
<tr>
<td>Hispanic</td>
<td>-0.121***</td>
<td>0.083***</td>
<td>0.038***</td>
<td>-0.074***</td>
<td>0.046***</td>
<td>0.029***</td>
<td>-1.00</td>
</tr>
<tr>
<td>White</td>
<td>0.069***</td>
<td>-0.049***</td>
<td>-0.020***</td>
<td>0.039***</td>
<td>-0.025**</td>
<td>-0.014**</td>
<td>0.98</td>
</tr>
<tr>
<td>Couple</td>
<td>0.041*</td>
<td>-0.030*</td>
<td>-0.011*</td>
<td>0.067***</td>
<td>-0.043***</td>
<td>-0.024***</td>
<td>-0.90</td>
</tr>
<tr>
<td>High school</td>
<td>0.050*</td>
<td>-0.036*</td>
<td>-0.014*</td>
<td>0.013</td>
<td>0.008</td>
<td>0.005</td>
<td>1.99**</td>
</tr>
<tr>
<td>Some college</td>
<td>0.016</td>
<td>-0.012</td>
<td>-0.004</td>
<td>-0.0007</td>
<td>0.0005</td>
<td>0.0003</td>
<td>0.41</td>
</tr>
<tr>
<td>College degree</td>
<td>0.073*</td>
<td>-0.054*</td>
<td>-0.018*</td>
<td>-0.013</td>
<td>0.009</td>
<td>0.005</td>
<td>1.72*</td>
</tr>
<tr>
<td>Satisfied with life</td>
<td>0.159***</td>
<td>-0.106***</td>
<td>-0.053***</td>
<td>0.097***</td>
<td>-0.059***</td>
<td>-0.039***</td>
<td>1.28</td>
</tr>
<tr>
<td>Good health</td>
<td>0.126***</td>
<td>-0.091***</td>
<td>-0.035***</td>
<td>0.164***</td>
<td>-0.105***</td>
<td>-0.059***</td>
<td>-1.27</td>
</tr>
<tr>
<td>Mobility limits</td>
<td>-0.023**</td>
<td>0.017**</td>
<td>0.006**</td>
<td>-0.029**</td>
<td>0.019**</td>
<td>0.010**</td>
<td>0.49</td>
</tr>
<tr>
<td>Large musc. limits</td>
<td>-0.030***</td>
<td>0.022***</td>
<td>0.008***</td>
<td>-0.018***</td>
<td>0.012**</td>
<td>0.007***</td>
<td>-1.37</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>0.035</td>
<td>-0.025</td>
<td>-0.010</td>
<td>0.002</td>
<td>-0.001</td>
<td>-0.001</td>
<td>0.96</td>
</tr>
<tr>
<td>Years Retired</td>
<td>0.003</td>
<td>-0.002</td>
<td>-0.001</td>
<td>0.005**</td>
<td>-0.004**</td>
<td>-0.002**</td>
<td>-0.73</td>
</tr>
<tr>
<td>Thought about ret.</td>
<td>0.037*</td>
<td>-0.027*</td>
<td>-0.010*</td>
<td>0.015</td>
<td>0.009</td>
<td>0.005</td>
<td>0.90</td>
</tr>
<tr>
<td>Forced retirement</td>
<td>-0.238***</td>
<td>0.164***</td>
<td>0.074***</td>
<td>-0.244***</td>
<td>0.154***</td>
<td>0.090***</td>
<td>0.14</td>
</tr>
<tr>
<td>Total wealth- $10k</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0003*</td>
<td>-0.0002*</td>
<td>-0.0001*</td>
<td>-1.55</td>
</tr>
<tr>
<td>DB pension</td>
<td>0.024</td>
<td>-0.017</td>
<td>-0.007</td>
<td>0.053***</td>
<td>-0.035***</td>
<td>-0.018***</td>
<td>-1.00</td>
</tr>
<tr>
<td>DC pension</td>
<td>0.041*</td>
<td>-0.030*</td>
<td>-0.011*</td>
<td>0.042***</td>
<td>-0.028***</td>
<td>-0.015***</td>
<td>0.01</td>
</tr>
<tr>
<td>DB/DC combo</td>
<td>-0.016</td>
<td>0.012</td>
<td>0.005</td>
<td>0.068</td>
<td>-0.046</td>
<td>-0.022*</td>
<td>-1.13</td>
</tr>
<tr>
<td>Undet. pension</td>
<td>0.039</td>
<td>-0.029</td>
<td>-0.010</td>
<td>0.140**</td>
<td>-0.098**</td>
<td>-0.041***</td>
<td>-1.14</td>
</tr>
<tr>
<td><strong>JOB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WC- high skill</td>
<td>0.040</td>
<td>-0.029</td>
<td>-0.011</td>
<td>0.026</td>
<td>0.017</td>
<td>0.010</td>
<td>1.23</td>
</tr>
<tr>
<td>WC- other</td>
<td>0.034</td>
<td>-0.025</td>
<td>-0.009</td>
<td>0.033</td>
<td>0.021*</td>
<td>0.012</td>
<td>1.46</td>
</tr>
<tr>
<td>BC- high skill</td>
<td>0.058*</td>
<td>-0.042*</td>
<td>-0.016*</td>
<td>0.047**</td>
<td>0.030**</td>
<td>0.017**</td>
<td>2.87***</td>
</tr>
<tr>
<td>Physical effort</td>
<td>0.018</td>
<td>-0.013</td>
<td>-0.005</td>
<td>0.006</td>
<td>0.004</td>
<td>0.002</td>
<td>0.70</td>
</tr>
<tr>
<td>Lift</td>
<td>-0.037</td>
<td>0.027</td>
<td>0.010</td>
<td>0.017</td>
<td>-0.011</td>
<td>-0.006</td>
<td>-1.85*</td>
</tr>
<tr>
<td>Stoop or crouch</td>
<td>0.018</td>
<td>-0.013</td>
<td>-0.005</td>
<td>0.037**</td>
<td>0.024**</td>
<td>0.013**</td>
<td>1.82*</td>
</tr>
<tr>
<td>Sight</td>
<td>-0.098</td>
<td>0.075</td>
<td>0.023*</td>
<td>0.004</td>
<td>-0.002</td>
<td>-0.001</td>
<td>-1.29</td>
</tr>
<tr>
<td>Concentration</td>
<td>-0.014</td>
<td>0.010</td>
<td>0.004</td>
<td>-0.022</td>
<td>0.015</td>
<td>0.008</td>
<td>0.10</td>
</tr>
<tr>
<td>Skill with others</td>
<td>0.127***</td>
<td>-0.085***</td>
<td>-0.041*</td>
<td>0.019</td>
<td>0.012</td>
<td>0.007</td>
<td>2.66***</td>
</tr>
<tr>
<td>Use computers</td>
<td>0.013</td>
<td>-0.009</td>
<td>-0.004</td>
<td>0.056***</td>
<td>-0.037**</td>
<td>-0.019**</td>
<td>-1.44</td>
</tr>
<tr>
<td>Analyze</td>
<td>0.011</td>
<td>-0.008</td>
<td>-0.003</td>
<td>0.004</td>
<td>0.003</td>
<td>0.002</td>
<td>0.52</td>
</tr>
<tr>
<td>Keep pace</td>
<td>-0.052**</td>
<td>0.038**</td>
<td>0.014**</td>
<td>0.017</td>
<td>-0.011</td>
<td>-0.006</td>
<td>-2.58**</td>
</tr>
<tr>
<td>Repetitive</td>
<td>0.055</td>
<td>-0.039</td>
<td>-0.016</td>
<td>0.010</td>
<td>0.006</td>
<td>0.003</td>
<td>1.12</td>
</tr>
<tr>
<td>Learn new things</td>
<td>-0.016</td>
<td>0.011</td>
<td>0.004</td>
<td>0.033</td>
<td>0.021</td>
<td>0.012</td>
<td>-1.23</td>
</tr>
<tr>
<td>Freedom to decide</td>
<td>0.071**</td>
<td>-0.050**</td>
<td>-0.021**</td>
<td>0.021</td>
<td>0.014</td>
<td>0.008</td>
<td>1.41</td>
</tr>
<tr>
<td>Friendly people</td>
<td>0.0001</td>
<td>-0.0001</td>
<td>0.0000</td>
<td>-0.013</td>
<td>0.009</td>
<td>0.005</td>
<td>0.18</td>
</tr>
<tr>
<td>More diff. things</td>
<td>-0.015</td>
<td>0.011</td>
<td>0.004</td>
<td>0.014</td>
<td>-0.009</td>
<td>-0.005</td>
<td>-1.11</td>
</tr>
<tr>
<td>Lot of stress</td>
<td>-0.001</td>
<td>0.001</td>
<td>0.000</td>
<td>-0.044**</td>
<td>0.028**</td>
<td>0.015**</td>
<td>1.63</td>
</tr>
</tbody>
</table>

N = 12,967 (3,841 Union | 9,126 Non-Union) Pseudo R² = 0.168

***Statistically significant at the 1% level **at the 5% level *at the 10% level (two tailed tests).

*a The ordered probit coefficient results and standard errors are available upon request. All standard errors correct for clustering by individuals in the pooled sample. The model jointly estimates union and non-union coefficients by interacting variables with union status. The union and non-union marginal effects are broken out for ease of analysis.

*b All specifications also include indicators for year of observation.

*c Marginal effects are on the probability of being in the “very”, “moderately”, or “not at all” satisfied with retirement categories. Marginal effects for dummy variables are for discrete change from 0 to 1.

*d The z statistic for differences across union status is taken from the union interaction terms.
In terms of negative job characteristics possibly pushing people into retirement, I find that for non-union workers having a job requiring stooping or crouching reduces the likelihood of being very satisfied in retirement by 3.7 percentage points, while having a job that is very stressful reduces the likelihood by 4.4 percentage points. Neither variable is significant for the union retirees, even though the means show that union members are actually much more likely to work in jobs that require stooping or crouching. However, while interesting, the differences across union status are only marginally significant. The difference for stooping is significant at the 10% level (P value=0.070) while the difference for stress just misses significance at the 10% level (P value=0.103). Nevertheless, the results may provide some evidence that non-union retirees are pushed into retirement by a reduction in utility related to work due to these negative work characteristics, resulting in a lower level of satisfaction compared to those who do not experience the stooping or stressful work. The lack of similar results for union retirees suggests that these workers are either compensated for their discomfort, or have found a way to mitigate the negative effects. A similar interpretation can perhaps be given to the differing signs and strongly significant difference of the high skill blue-collar results as union membership may offer protection for this group which keeps them from being pushed out of their jobs into retirement, while non-union workers do not receive this protection and end up with lower retirement satisfaction as a result.

The results for having to keep pace with others at work display an interesting, highly significant, difference across union status as well. Union workers who have to keep pace with others at work are 5.2 percentage points less likely to report the highest satisfaction category, while non-union workers who experience this type of work are unaffected. The results may reflect the differential effects of being pushed into retirement, but the pattern of significance seems to be opposite of what could be expected. It would seem that as with stooping and stress, union membership should protect workers leaving them unaffected, while the lack of protection for non-union members would once again drive down satisfaction. Perhaps a better interpretation of this effect relates to the mechanism of differential skill acquisition at work described previously. If union workplaces are more rigid due to the formalization of work rules and processes during collective bargaining, union retirees may not have developed the types of skills which they can use to adapt to a very different lifestyle in retirement. The negative effect for those who must keep pace with others at work may reflect a lesser ability to manage their time, which would negatively affect their retirement experience as well. Non-union workplaces which are less rigid may do a better job of cultivating worker adaptability even for those workers who do report having to keep pace with others.

Adding the other significant results for union members may lend support to the interpretation related to differential skill acquisition. Union workers who retire from jobs that require skill working with others experience a 12.7 percentage point increase in the likelihood of being very satisfied, while those who had freedom to decide how work was done see a 7.1 percentage point increase. Both of these factors may reflect a greater flexibility at work, either through the allocation of time or through greater interpersonal interactions. The development of these skills should then carry over into retirement making the experience more satisfying because retirees are better able to adjust to greater free time and different personal interactions. The lack of significant effects for non-union retirees may reflect that a less rigid workplace has made the acquisition of these skills more pervasive overall so that workers who report these job characteristics are not really that different from workers who do not. In a union setting the skills may not be as widely acquired as formalized communication and grievance procedures may have generally reduced the ability to resolve conflict interpersonally, while a system of job classifications and duties may have reduced time management skills by limiting worker discretion over their work. The positive result for non-union retirees who came from jobs that require computer use could be interpreted similarly if the computer use was more general and therefore more applicable outside of work, thus providing a skill to make retirement more enjoyable. Once again, however, the evidence for this effect is somewhat marginal as the differences across union status for freedom to decide and computer use approach, but do not reach, even the 10% significant level (P values of 0.158 and 0.149 respectively).

The different results for the union and non-union job characteristics suggest that union presence in the workplace does cause differential effects on subsequent retiree satisfaction. The control variable results show that union and non-union retirees are influenced similarly by basic demographic, health and financial controls, suggesting that the difference in results for the job characteristics is not simply due to the fact that union retirees are different people who experience retirement differently than non-union retirees. The job characteristics also suggest that unions may have two effects on retirement satisfaction, one positive and one negative. While unions do seem to protect their workers from being pushed into a less satisfying retirement by either mitigating the effects or
compensating them for the effects of negative work characteristics, they also seem to limit the acquisition of skills which might help their workers once they enter retirement.

To check the robustness of the baseline results I conducted a variety of tests and specification checks. The first concern given the number of control variables and the related nature of some of the job characteristics is that multicollinearity is driving the results. As a basic check I estimated the variance inflation factors for each variable, finding that none approached standard levels that would suggest the existence of a problem. I also estimated the model using subsamples of variables to see if the results changed dramatically. The model displayed remarkable stability across specifications, once again suggesting that multicollinearity is not the cause of the basic results.

I also estimate two different models to check for fundamental problems with the basic ordered probit. The first model is a random effects ordered probit that I estimate over concerns that the results could be driven by unobserved factors. Given the panel nature of the data the random effects model should account for unobservable influences, under the assumption that they are normally distributed. The second model is related to the sample selection process. Because the survey only asks individuals about their retirement satisfaction if they report that they are retired, self-selection into or out of the retirement state may be biasing the results. For example, individuals who are less satisfied may drop out of the retirement state and therefore out of the sample, causing retirees to appear more satisfied than they actually are. To account for this issue I estimate a sample selection model which simultaneously estimates a probit for whether the individual reports being retired and the ordered probit for retirement satisfaction. In the probit equation for retirement I add indicator variables for whether the individual or their spouse is older than 62, 65, or 70, as well as an indicator for the usual retirement age on an individual’s job. The age thresholds capture discontinuous Social Security and other pension incentives which should make retirement more or less likely, and follow the strategy used in other work (Charles 2002; Neuman 2008).

I present results for the various models in Table 4. The first column for each union status reproduces the baseline results for the probability of reporting the highest satisfaction category as shown in Table 3. The next two columns report the effect on the highest satisfaction category for the random effects and sample selection models. The most striking finding from the results is that there is very little variation across the model structures. While there is minor variation in significance and magnitude the core results are unaffected. The union sample tends to display a bit more variation but this is likely due to the smaller sample size. A statistical test for the appropriateness of the random effects model does find that it is statistically different from the baseline model, although it does not seem to be substantively different. Given the relatively strong distributional assumption for the random effects model, I believe the baseline model results are the most reliable.

Overall, it does not appear that the results from the baseline ordered probit model are driven by unobservable variables or sample selection.

CONCLUSION

This study extends prior work on retirement satisfaction by examining the effects of a detailed set of job characteristics across prior union status. Exploiting a longitudinal data set that allows me to observe prior work characteristics and control for a wide variety of influences on retirement satisfaction, I find a differential effect of job characteristics on retirement satisfaction across union status. Union members retiring from high skill blue-collar jobs, and jobs that required skill working with others, did not require keeping pace with others, and gave freedom to decide how work was done are significantly more likely to report being very satisfied with retirement. Non-union members who retired from high skill blue-collar jobs, and jobs that required stooping, were stressful, or did not require using computers are less likely to report being very satisfied with retirement. The differences for high skill blue-collar jobs, stooping or crouching, skill working with others, and keeping pace with others are significant across union status, while the differences for using computers, having freedom to decide how work is done, and having a stressful job fall just short of significance. The results are not driven by multicollinearity and are not affected by unobservable variables or sample selection.

The results suggest another influence of unions in the workplace which extends beyond the individual’s time on the job. The pattern of the results suggests that there may be two different mechanisms that transmit a union effect, one working through the retirement decision and the other working through skill acquisition at work. While it does appear that unions protect their workers from being pushed into a less satisfying retirement by negative work characteristics, it also appears that unions may hinder the acquisition of skills on the job which may carry over into retirement and make it more satisfying.
Table 4: Ordered Probit Marginal Effects on Highest Satisfaction Category, Various Models\(^a\)

<table>
<thead>
<tr>
<th>Variable Names(^b)</th>
<th>P(very sat) Union(^c)</th>
<th>P(very sat) Non-Union(^c)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Baseline</td>
<td>Random Effects</td>
</tr>
<tr>
<td><strong>CONTROLS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.031</td>
<td>0.015</td>
</tr>
<tr>
<td>Age squared</td>
<td>-0.0003</td>
<td>-0.0001</td>
</tr>
<tr>
<td>Female</td>
<td>0.027</td>
<td>0.012</td>
</tr>
<tr>
<td>Hispanic</td>
<td>-0.121***</td>
<td>-0.096***</td>
</tr>
<tr>
<td>White</td>
<td>0.069***</td>
<td>0.073***</td>
</tr>
<tr>
<td>Couple</td>
<td>0.041*</td>
<td>0.025</td>
</tr>
<tr>
<td>High school</td>
<td>0.050*</td>
<td>0.054*</td>
</tr>
<tr>
<td>Some college</td>
<td>0.016</td>
<td>0.043</td>
</tr>
<tr>
<td>College degree</td>
<td>0.073*</td>
<td>0.089**</td>
</tr>
<tr>
<td>Satisfied with life</td>
<td>0.159***</td>
<td>0.137***</td>
</tr>
<tr>
<td>Good health</td>
<td>0.126***</td>
<td>0.091***</td>
</tr>
<tr>
<td>Mobility limits.</td>
<td>-0.023**</td>
<td>-0.028**</td>
</tr>
<tr>
<td>Lg. muscle limits</td>
<td>-0.030***</td>
<td>-0.025***</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>0.035</td>
<td>0.032</td>
</tr>
<tr>
<td>Years Retired</td>
<td>0.003</td>
<td>0.001</td>
</tr>
<tr>
<td>Thought about ret.</td>
<td>0.037*</td>
<td>0.031</td>
</tr>
<tr>
<td>Forced retirement</td>
<td>-0.238***</td>
<td>-0.212***</td>
</tr>
<tr>
<td>Tot. wealth ($10k)</td>
<td>0.0000</td>
<td>0.000</td>
</tr>
<tr>
<td>DB pension</td>
<td>0.024</td>
<td>0.045*</td>
</tr>
<tr>
<td>DC pension</td>
<td>0.041*</td>
<td>0.039*</td>
</tr>
<tr>
<td>DB/DC combo</td>
<td>-0.016</td>
<td>0.018</td>
</tr>
<tr>
<td>Undet. pension</td>
<td>0.039</td>
<td>0.049</td>
</tr>
<tr>
<td><strong>JOB</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WC- high skill</td>
<td>0.040</td>
<td>0.045</td>
</tr>
<tr>
<td>WC- other</td>
<td>0.034</td>
<td>0.043</td>
</tr>
<tr>
<td>BC- high skill</td>
<td>0.058*</td>
<td>0.053*</td>
</tr>
<tr>
<td>Physical effort</td>
<td>0.018</td>
<td>0.018</td>
</tr>
<tr>
<td>Lift</td>
<td>-0.037*</td>
<td>-0.052**</td>
</tr>
<tr>
<td>Stoop or crouch</td>
<td>0.018</td>
<td>0.024</td>
</tr>
<tr>
<td>Sight</td>
<td>-0.098</td>
<td>-0.066</td>
</tr>
<tr>
<td>Concentration</td>
<td>-0.014</td>
<td>-0.007</td>
</tr>
<tr>
<td>Skill with others</td>
<td>0.127***</td>
<td>0.098*</td>
</tr>
<tr>
<td>Use computers</td>
<td>0.013</td>
<td>0.023</td>
</tr>
<tr>
<td>Analyze</td>
<td>0.011</td>
<td>-0.001</td>
</tr>
<tr>
<td>Keep pace</td>
<td>-0.052**</td>
<td>-0.052**</td>
</tr>
<tr>
<td>Repetitive</td>
<td>0.055</td>
<td>0.067***</td>
</tr>
<tr>
<td>Learn new things</td>
<td>-0.016</td>
<td>0.008</td>
</tr>
<tr>
<td>Freedom to decide</td>
<td>0.071**</td>
<td>0.045*</td>
</tr>
<tr>
<td>Friendly people</td>
<td>0.0001</td>
<td>-0.016</td>
</tr>
<tr>
<td>More diff. things</td>
<td>-0.015</td>
<td>-0.008</td>
</tr>
<tr>
<td>Lot of stress</td>
<td>-0.001</td>
<td>-0.011</td>
</tr>
</tbody>
</table>

\(^a\) The ordered probit coefficient results and standard errors are available upon request. Baseline and Sample Selection model standard errors correct for clustering by individuals in the pooled sample. The random effects and sample selection models estimate the union and non-union samples separately. For the baseline model running each sample separately yields extremely similar results for union and non-union retirees suggesting that the results are not driven by functional form.

\(^b\) All specifications also include indicators for year of observation.

\(^c\) Marginal effects are on the probability of being in the “very” satisfied with retirement category. Marginal effects for dummy variables are for discrete change from 0 to 1.

N= 12,967 (3,841 Union | 9,126 Non-Union)

***Statistically significant at the 1% level **at the 5% level *at the 10% level (two tailed tests).
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Abstract

Since political independence of October 1st 1960, Nigeria as a nation has been questing for national language and integration. This quest becomes more problematic as a result of multilingualism that characterizes the country. This paper aims to examine how national language and integration of all ethnic and tribal groups in Nigeria can promote socio-economic development of the country. There are efforts and various strategies by the government such as National Youth Service Corps Scheme that has been adopted to promote national integration. But how far has it gone? Has it been yielding fruits? This paper answers such questions and submits that variables such as religious and political intolerance, economic sabotage and misappropriation of human and material resources should be exterminated from the body politics of Nigeria to ensure sustainable socio-economic development.

Introduction

The prominence of language in socio-human interaction cannot be ignored for sustained socio-economic development. As speaking being, humans use language for communicative and interactive purposes. The centrality of language in human relationship accounts for various definitions and descriptions given to it by scholars – Sociolinguists, anthropologists, language and communication experts, human psychologists and ethnographers of communication. A well-quoted definition of language was given by Sapir (1949) that it is:-

...Purely human and non-intuitive method of

Communicating ideas, emotions and desire by

Means of voluntary produced symbols.
From the viewpoint of Sapir, it can be said that critic (Sapir) believed that language solely belongs to humans for communicative purposes. Sapir’s opinion is similar to Greenberg’s (1971:156) view about language. Greenberg opened that language is a unique human possession. He writes:

\[
\text{Language is unique to man. No other species possesses}
\]

\[
\text{a truly symbolic means to communication and no human}
\]

\[
\text{Society, however simple its material culture, lack the}
\]

\[
\text{basic human heritage of a well developed language.}
\]

The above suggests that from antiquity, language has been a unique quality of man. From primitive culture till the present stage of modernity, man has been in the possession of language for the purpose of communication and other forms of social interactions.

In another contribution, Hall (1968:158) sees language as “the institution whereby human communicate and interact with each other by means of habitually used oral-auditory arbitrary symbols”. This definition of language also points to the communicative potentials of language. Humans communicate with one another through mutually intelligible language.

In a more recent study, Sesan (2010:71) defined language as the “sole machinery used by man to manipulate and control his bio-cultural sphere and linguistic domains at micro and macro levels”. From this definition it can be said that apart from being a medium of communication, language is a weapon for social control and interaction.

Despite the availability of many definitions of language, there is none without a weakness. It is impossible to find a definition against which we could not raise at least one objection (Elugbe, 1991:42). From various definitions of language that are available in linguistic discourses, some features that are central to these definitions are given below.

(i) Language is human;

(ii) It is used for communication;

(iii) Meaning is central to the use of language;

(iv) Social control and interactions are made possible through the use of language.

The uniqueness of language to human is adjusted by the innate nature of language. Expect a child is born with some congenital abnormalities, every individual naturally possess what Noam Chomsky refers to language Acquisition Dance (LAD) to acquire, process and interpret language spoken in the speech community. It can thus be said that language is vital to sustenance of human existence in a complex world.

National Language in Nigeria
One of the post-colonial national issues that Nigeria had to address in its development process as a nation was the national language question (Babajide, 2007:39). Since the termination of colonial rule in Nigeria, on October 1st 1960, the country has been taking steps towards evolving indigenous national language. It is however sad to note that each step taken so far has not yielded any positive result. Certain factors such as linguistic and political problems account for the failure of evolving an indigenous national language.

Plurality of indigenous language in Nigeria and the ascending of English language as the official language in the country constitution parts of the linguistic problem militating against the evolvement of indigenous national language. From different scholarly contributions (See Akinjobi, 2004, Babajide, 2007, Iwara, 2008, Akinjobi, 2002and igboanusi; 2002), the present opinion is drawn that Nigeria has over 400 indigenous languages. With this multilingual nature of Nigeria, it has not been easy to make a choice of which of them will be a national language. The linguistic loyalty as degenerated into intolerance (linguistically) among Nigerians who speak different indigenous languages.

The speakers of minority language always nurse the fear of linguistic marginalization. This fear is premised on the assumed marginalization of minority tribes (economically and politically). For this reason, the speakers of minority language are always suspicious of the choice of any of the major languages (Hausa, Igbo and Yoruba) as the national language for the country. This position among others, may inform the opinion of Babajide (2007:43) that the choice of any of the major indigenous languages in Nigeria will do more harm than good. Its positions are reproduced here for scholarly purpose:

- First, it constitutes a threat to the continued existence of their languages because they are likely to be relegated to the status of languages they are likely to be relegated to the status of languages of rurality. As it were, an average Nigerian would prefer a metropolitan language to a rural one because rurality cannot rusticity.
- Second, the number of the speakers of each minority language would gradually diminish to a somewhat negligible figure or to a zero-speakers point. Already in some parts of Delta State, pidgin has become a Creole (spoken as a mother tongue in a community) and Hausa now become the mother tongue for some Northerners who were not originally Hausa by tribe. (See Egbokhare 2001 and Igboanusi & Peter 2005).
- Third, if a language is no longer of interest to anyone, it becomes wasteful for the government to spend a large sum of money on its development, that is, if she is even prepared to spend such money or ever has such interest. With the magnitude of other more pressing and very urgent needs the government hardly ever has the magnanimity to give language development a serious attention.
- Fourth, a language that no longer attracts interest because of the negligible number of its speakers and its almost non-existent recognition is liable to extinction. When a language is lost, the whole lots of the essential characteristics of the people who own the language are lost.
- Fifth, the cultural identity of a people who lost their linguistic heritage consequently disappears. Such a people are subsequently absorbed into the culture of their newly found language. As a corollary therefore, the death of a language is the death of a cultural history of a people.
Babajide’s positions are valid but he failed to include mutual suspicious among various ethnic group in the country. Nearly all ethnic groups in Nigeria do not trust one another and this is one of the problems militating against proper national integration in the country.

Apart from promoting national image, national language enhances socio-economic development. Some development nations and Asian countries that have indigenous national language have recorded tremendous success technologically, economically and politically. For this reason, the present writer subscribes to the opinion of Banjo’s (1992:7) that:

The choice of a national language is, in turn, expected not
Only to do a lot for the national psyche but also to facilitate
National mobilization for development which, in turn, will
Enhance the production of more wealth and launch the
Nation into the world’s top league of developed nations.

The opinion of Banjo as given above suggests that a sustainable national language will promote economic and social development of a nation. This is owing to fact that national mobilization can be done with expected positive impact through a single language (national language) that is mutually intelligible among different ethnic groups in the country.

Ekpu (1989:10) has a different view Banjo. He is of the opinion that national language alone is not enough for enhancing national integration. He supports his claim by saying that “even linguistically homogenous societies do expense from time to time, a certain degree of social upheaval. The phenomenon of social upheaval by linguistically homogenous societies is not unconnected with bad governance, mismanagement of human and material resources of a nation, ethnic rivalry and defective foreign diplomacy.

The political mapping of Nigeria also accounts for the failure of evolving an indigenous national language. For selfish political reasons, Nigerian government (un)consciously excludes the country’s indigenous language in the official transaction in the country. The exclusion is dual: one, at the policy formulation stage; two, at the execution (Babajide, 2007:41). At the policy formulation stage, Nigeria government has not shown serious interest at the promotion of indigenous national language. Evidence of this is seen in the country’s 1991 Constitution where it is written that:

The business of the National Assembly shall be conducted In
English and Hausa, and Igbo and Yoruba when adequate
Arrangements have been made there of (Chapter, section 55)

The clause “when adequate arrangements have been made there of” is ambiguous. When arrangements are to be made before Hausa, Igbo and Yoruba can be used in the National Assembly and when are these arrangements to be made. If there are no answers to these questions, it means that Nigerian government is not ready to evolve indigenous national language. Most lawmakers in Nigeria parliament have developed linguistic phobia towards their indigenous languages all because they don’t want to be seen as illiterates and uneducated when they deliberate national issues in their indigenous languages (Sesan, 2010:85). This unfortunate situation has had some impacts on the country’s national integration.

**National Integration in Nigeria**

The quest for national integration in Nigeria requires collective efforts of all irrespective of ethnic background, religious affiliation and political association. It is when everybody is integrated into
the polity, politics and economy of Nigeria that the country can attain sustained socio-economic
development. National integration in Nigeria can be attained through political concretization and
consciousness, promotion and protection of every citizen’s rights irrespective of ethnic backgrounds,
political association and religious affiliation, economic empowerment every ethnic group in the country
and equity, fairness and justice in governance. Below are therefore some factors that can promote
national integration in the country.
(i) Mutual intelligibility in terms of linguistic interaction among various ethnic groups in Nigeria;
(ii) Good governance guided by equity fairness and justice for all, irrespective of ethnic backgrounds and
political association; and
(iii) Political participation and credible elections for the change of power.

When all these factors are met, there will be national integration for sustainable socio-economic
development. The failure of the Nigeria government to attain national integration may lead to a state of
among. One of the basic consequences of state of among is militant uprising across various ethnic group
in the country. In Nigeria, we have the Odua people Congress (OPC), the movement for the actualization
of the sovereign state of Biafra (MASSOB) and Ijaw Youth Congress (IYC) among others (Offor, 2008:47).
We cannot ignore the fact that militant uprisings have negative implications on the socio-economic
development of the country. In a related study, Sesan (2010:7) observes six implications of militant
uprisings on human capital development in Nigeria. He observes the following consequences:

i. Loss of lives and destruction of properties;

ii. Insecurity that drives away foreign investors;

iii. Environmental pollution and degradation;

iv. Kidnapping and high tempo of criminalities;

v. Underutilization of natural resources as a result of fear that drives away workers and investors; and

vi. High cost of living and poor standard of living in the affected regions

Summing up all these problems as observes by Sesan, it can be said that the state of anomy in
Nigeria has negative impact of the country.

Our position in this paper is that even if Nigerian government has not realized the dream of
national language for Nigeria, every effort should be made to ensure national integration for socio-
economic development in the country through the following ways:

(i) Continuous use of English as the language of economic and social interactions for mutual
intelligibility pending the time an indigenous national language will be evolved in Nigeria;

(ii) Credible and people-oriented democratic governance that gives equal opportunities for all
Nigerians irrespective of their ethnic background; and

(iii) Promotion and sustenance of national philosophy of equity, justice and fairness.

Nigeria, like every other African country is facing with socio-economic inactions. Among these
inactions is election malpractice and socio-political sabotage among the political leaders. In
general, Africa as a continent and Nigeria, in particular we achieve sustainable socio-economic
development if chews, anarchy and state of anomy on the continent are reduced to barest
minimum.
Conclusion
This paper has addressed the issues of national language and national integration as they affect socio-economic development in Nigeria. Linguistic and political problems are observed as mitigating factors against the evolution of national language in Nigeria. It is discussed in the paper that deformed national integration processes have led to the state of among and militant uprisings that have threatened the existence of Nigeria as a political entity. For sustainable socio-economic development, all Nigerians should be properly integrated into the body politics of the country. With this every individual in Nigeria will have a sense of belonging in the affairs of the country.

References


DAIRY SUPPLY CHAIN: A SIMULATION STUDY

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Abstract: The emphases on supply chain have increased in recent years among academia and industry circle. In this paper, supply chain model was developed based on a case Dairy farm under the Vensim environment. System dynamics and case method under positivist and quantitative paradigm were used to develop simulation model. The objectives of this paper was to develop causal/qualitative model then transform into quantitative model. This paper is a conceptual model to see Dairy supply chain structure and also find out the direction for further development of the current operation in simulation environment. Discussion were based on simulation supply chain model both qualitative and qualitative format.

Keyword: Dairy, Supply Chain, System Dynamics, Bangladesh

Introduction

Dairy in Bangladesh is a popular livestock-subsector in rural economy and as well as a powerful avenue for additional income generation which is passed on to next generation through inheritance. Thus dairy is an important and growing sector of Bangladesh’s economy, which is increasingly proving to be a worthwhile livelihood option for a large number of households engaged in milk production and trade. Although, dairying is the most ancient occupation established in the rural setting of Bangladesh, its development is unsatisfactory due to several problems. The main problems associated with Bangladesh dairy may arise from economic sources (land scarcity, financial unavailability, technology disruption, improper feeding etc.), social sources (political unrest, policy barrier, contamination etc.) and environmental sources (natural disaster, diseases). Although in recent years, in the field of supply chain management has gained widespread attention by academicians and practitioners but it is still in infancy in dairy sector. Empirical work is needed in the field of supply chain management analysing the main supply chain process and exploring instruments for an effective supply chain and its risk management particularly in Bangladesh dairy sector (Thun, 2011). This study developed a simple supply chain model based on categorising initial cattle, maturing those to cow, percentage of culled cow, milking, supply milk to the formal industry and utilizes dairy waste to make valuable by-products.

Objective of the study

Research objectives of this study are as follows:

1. To develop a conceptual causal/qualitative dairy model
2. To transform qualitative model into quantitative model
3. To do sensitivity analysis on the key variables to understand the nature of output in standard and extreme condition.
Methods

This study adopted positivist ontology, empirical epistemology, and quantitative methodology based on case studies of a Dairy Industry. The system dynamics (Forrester, 1961; Sterman, 2000; Wolstenholme, 1982) methodology and case study (Yin, 1994) method were chosen for this study. Design science is concerned with “devising artefacts to attain goals (Simon, 1969). Both primary and secondary information used in this study. Primary information collected from December 2012 to January 2012, mainly through in-depth telephone interviews with the respondents. The case industry is one of the largest and reputed farms in Bangladesh. They have multiple firm locations and researcher has chosen one particular dairy shed to construct qualitative causal model that also familiar as mental model toward researcher. The respondents nominated for open-ended questions relating to understands required process based on their widespread knowledge and experiences. The in-depth interview long last for more than half an hour for each respondents and information’s relating to production, process and waste management discussed. Secondary information collected from different published documents such as referral books, journals, and conference papers, statistical yearbooks and company record and reports. The simulation package Vensim 6.01b used to develop dairy supply chain model and conduct trivial analyses to investigate the research objectives.

Literature

Dairy in Bangladesh

Eighty of the Country’s 120 (currently 140) million people live in the rural areas and are highly dependent on agricultural system that is finely attuned to a tropical monsoon climate (UNDP, 2005). Agriculture generates 39% of the GDP and the share of the livestock sub-sector is 2.8% (Brammer, 1996). The contribution of the small-scale dairy farming to the welfare of the community is huge. Low-income country like Bangladesh has always focused on employment generation as a crucial instrument for achieving a major development goal i.e. poverty reduction (Islam, 1986). For this objective, the promotion of self-employment or entrepreneurial development was regarded as more effective than industrial development (Hye, 1993; Islam, 1986).
million fowls, and 13.5 million ducks (cited in Bari, 2008). The milk production was 2.27 million tonnes in 2006 (Haque, 2009). Half of milk production is produced in the north of the country (Hemme, 2004). According to (Hemme, 2004), an estimated three percent of the milk produced through formal channels (commercial structured supply chain) of production in Bangladesh and remaining 97 percent are informally traded as informal distributors. Majority of dairy farms in Bangladesh are privately owned. New entrepreneurs are getting involved in small scale dairy farming in urban and peri-urban areas (Saadullah, 2011). Low productivity, small scale and unorganized firms, inappropriate animal feeding and inadequate infrastructure and absence of professional management are the main characteristics of this industry (Raha, 2004).

At present, there are fourteen structured industries which are operating dairy business in Bangladesh, among them Milkvita, BRAC and PRAN are holding top most market shares. Cooperatives operated with 70-80 members in each association (Knips, 2006).

Bangladesh dairy is beset with different risks in its different sectors. Land scarcity, feed scarcity, inadequate treatment and credit facilities, poor infrastructure and logistic support are the major risks in input sector (Karim, 2010; Bari, 2008; Ghosh, 2001). Production and processing activities are affected by the poor functioning of the input sector with added risks.

Adulteration, absence of technical knowledge, and mismanagement of staff are the notable risk (Shamsuddoha, 2000; Bari, 2008). However distribution and marketing of Bangladesh dairy is also not free from risks. The main risks associated with distribution are adulteration, deprivation by middlemen, long chain of distribution, poor transport facilities, limited access to market (Halder, 2003).
Beside these risks there could be various other forms of risks which hinder the dairy supply chain in Bangladesh. Proper identification and frequent awareness of these risks will lead to the development of effective mitigation strategies and suggest formulation of risk mitigation policies for both private and public dairy industries to improve supply chain performance of the sector.

A Qualitative Dairy Model

Causal loop diagramming is almost essential for system dynamics model. Positive and negative feedback loops are representing dynamic behaviour between and among the variables (Richardson, 1986). Such diagram also envisaging how interrelated variables affect one another and it consists of a set of nodes representing the variables connected together (Aghalaya, 2012; Maani, 2007). The relationships between variables, represented by arrows, can be labelled as positive or negative. To generate a directed arrow, they placed a positive (+) sign near the head of the arrow if an increase (or decrease) in a variable at the tail of an arrow caused a corresponding increase (or decrease) in a variable at the head of the arrow. If an increase in the causal variable caused a decrease in the affected variable, a negative (-) sign was placed near the head of the arrow (Aghalaya, 2012).

The above figure shows the relationship or link between/among key variables of a dairy industry. There are so many variables associated with dairy farming but this model only picked the key variable to see the dynamics over time. According to Figure 2, there are numbers of loops in this qualitative/causal model. Few loops are as follows:
Negative Feedback loop ‘Cattle’ and ‘Cow’: If Cattle supply increases then mature Cow will increase after certain period. But when mature cow increases, cattle will will decreases for the time being until new cattle flock enters the supply chain.

Positive feedback loop ‘Cow’ and ‘Milk’: If mature Cow increases, total milk collection will increase. Again, milk demands are going up, mature cows are lined up for more milking.

The above model contains six different types of loops where system works like dynamic way based on input and output rate.

Figure 2 exhibits a simple dairy process model, which modelled using Vensim – a simulation software package. The model incorporated main supply chain variable like cattle, cow, milk, and culled cow. And reverse supply chain involved of dairy waste which can generate valuable byproducts of biogas and fertilizers. Though, local people uses dairy waste for many necessary things like artificial charcoal, fish feed, external layer for mud-made houses and the likes. This research demonstrates how dairy wastes provide the input (raw materials) to other by-product processing plant (biogas and fertilizer) within the same industry.

The simulation model is able to assess the volume of wastes that can use as the input of by-products. Policymakers can simulate any number of inputs to observe the output of each individual variable so that they can compare and contrast with various outputs. Among the various outputs, policymakers will choose the right trial which can give them expected profitability and productivity. On the other hand, figure 2 transformed from figure 1 by adding stock and flow diagram. Such diagram made this model complete looking. the most crucial matter was to define all the variables under individual mathematical equation. all the equation built through interviewees
assumption based on practical experience by the farmers. Finally, the model has been run for so many trials and worked in accordance to the desire.

Transform the Qualitative Diagram into Quantitative Model

There are so many literatures on quantitative modelling under system/system dynamics methodology. Figure 2 has been transform to Figure three by adding stock and flow diagram. Not only that the model was also identify the relationship among variables based on simple and complex equation. Figure 4 is a snapshot of Synthesim mode of Vensim software that can easily depicted the whole dynamic and static behaviour of the variables associated with this model.

Model in Realistic Environment

The researchers collected historic information about input system of dairy cattle. Dairy cattle reared for particular period to grow up as mature cow. Those mature cow can be used for milking based on ages and breed. Most of the dairy breed imported from Australia, USA, Netherland, and India. Parameters for different variable have been collected from case dairy farm through indepth interview. This study is a beginning of a massive research gap in the dairy sector of Bangladesh. Bangladesh dairy is struggling to cope up with modern technology, equipment, management due to improper government help. Private sector trying their best having so many problems related to various calamities, financial and policy matter. After that, private entrepreneurs are are courageous enough to cope up their farming within all these uncertainties. Figure 4 shows the synthesim mode of model run where individual ‘behavior over time’ can be seen for each variable. This model helps to understand behaviour pattern of a variable over time so that policymaker can find out solution if needed. Synthesim mode of Vensim package can experiment more on changing constant variables to see what best results can be achieved. Figure 5a and 5b are importantly showing the sensitivity analysis for two key variable of ‘cow’ and ‘milk’. The behaviour of the sensitivity graphs are showing the expected changes of behaviour over time. These sensitivity test is very important test to realize whether model work fine. In this way, numerous experiments and analyses can be done in the model environment by providing different inputs to find out optimality.

Concluding Remarks

In this paper, researchers developed a simple dairy supply chain simulation model incorporating milk production and dairy waste generation. This model will help the decision makers to calculate of what quantities of milk and wastage can be generated from a dairy process. Once more, this is a simple model associated with main variables to observe the dynamic behaviour among with each others. Different behaviour can help the farmers to understand futuristic trend of the key variables. It is important to predict the future production or trend and its oscillating or normal behaviour over time. This is how the model can help the farmers and policymakers to do better forecasting and practice than it usual. This model could be more realistic and complex if it added more associated variable like calamities, by-products and structured processors. Future research could focus on testing the extended supply chain model along with additional variables to understand the total industry operations and its optimality.

References

RECONCEPTUALISING THE ROLE OF PROFESSIONAL SOCIAL WORKERS IN VOLUNTARY ORGANIZATIONS IN INDIA

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Abstract:

The term Social Worker is used very casually for any person doing any spiritual, political or welfare work for the benefit of society. The role and function of such social workers vary with their personal interest and motives. However, in social work literature we have considerable body of literature which defines the role and responsibilities of a social worker in various contexts. In India the role of a social worker is understood in lines of role of social reformers or political thinkers. The complex nature of Indian society further makes the role of social worker very challenging. The present paper is an attempt to explore the role of social workers in non-government organization. The objective of present paper is to understand the difficulties faced by social workers in delivery of their service and also to identify the areas where the role of professional social workers could be strengthened.

Key Words: Social Worker, Society, Profession, Welfare

Introduction:

The concept of social welfare in India had a long history. Voluntarism is an integral part of Indian culture and heritage. The fist mention of the concept of charity has been mentioned in Rig Veda, which devote an entire chapter on charity. To encourage charity the Rig Veda says, “May the one who gives shine most”. Similarly another relevant ancient text Upanishads declare that it is better not to help at all then to help without showing due respect to the object of charity. It further says that the spiritual and secular knowledge is most precious gift and consider the gifts that satisfy physical needs as least important. During the pre-colonial time the responsibility of welfare activities was jointly shared by state, religion and social organizations. The charitable activities inspired by the religious beliefs and values continued to remain major source of welfare activities in the pre-colonial period. Education, construction of public utility and civil administration were the areas of welfare oriented activities during the period.

The emergence of Buddhism (542 B.C) provided a new orientation to the concept of voluntarism and welfare activities. Buddha founded Sangha or monastic order, consisting of monks and nuns. The spreading spiritual knowledge along with service to needy and poors were the major activities carried out the members of Sangha. In Jainism (600 B.C) there is a mention of religious organizations engaged in welfare activities. In Jain literature, the services rendered by physician for needy patient and construction of hospitals are freely mentioned.
During the Mughal dynasty, Muslims were ordained by their religious commandments to give fifth of their income to poor members of their community. Similarly Parsis care for the poor through their Panchayats and community services and Sikhs through services rendered by Gurudwaras for the welfare of poor’s and needy.

The concept of charity and voluntarism in the pre-colonial phase suggest that they were intertwined with several social and religious beliefs and values. During the period it actively played role in uplifting the social and economic development. It operated in the fields of education, medicine, and culture and situations arises such as drought, epidemic, foreign invasion etc. The poor and needy people belong to disadvantaged section of the society were taken care by social institutions viz. joint family, caste groups, guilds and religiously motivated social volunteers.

During the Mughal rule in India, the religious and social life started setting the various rules for the local people, which inspired the different forms of charity and welfare activities viz, Zakat. The main purpose of the Zakat was to help the needy but it also used for promoting education and other civic amenities. The practice of creating Waqfs or trusts had started very early among Muslims and the expenditure of most philanthropic establishments was met out of the income of waqfs.

The emergence of Christianity and colonial rule brought modern notion of Volunteerism and welfare services. The Christianity promoted education and urged men to dedicate themselves to the service of God through service of human beings.

During the Colonial phase the development of non-profit sector was closely associated with social reform and freedom movement. The British colonial administration also supported the various private organizations engaged in social services. The contact with the west brought various new ideas and thoughts based on rationality, liberalism and democracy. The impact of English education with the efforts of Christian missionaries forced man educated Indian to form their associations and collective groups to initiate the process of collective reflection and action for various social problems. This mark the beginning of various Non-profit organizations engaged in social reform and welfare activities in modern India. Simultaneously, the efforts made by Christian missionaries in the field of education and health-care constituted another form of non-profit organization intervention field.

The example of Ramkrishan mission can be cited as illustration of pioneer effort which carried out wide range of activities from social reform to meeting the developmental needs of people. In the year 1828, Raja Rammoham Roy founded Braham Samaj, which initiated the steps to bring social, political and economic transformation in the Indian Society. It promoted human dignity and criticized social evil of Sati.

The process of reform initiated with efforts of Raja Rammoham Roy in Bengal spread all over India. The similar movements of social reform like Prathana Samaj, Srya Samaj, Dev Samaj etc. initiated by Justice Mahadev, Govind Ranade and Dev Atma respectively. All the movement made efforts to oppose the caste system, to introduce widow remarriage, to encourage female education, and to abolish child marriage. Similarly, various regional and caste based movements were also initiated during the period like Kayastha Sabha in the United Provinces and the Sarin Sabha in Punjab. One of the most remarkable social reformer of the 19th century in the region was Mahatma Jyotirao Phule who founded the Satya Shodhak Samaj in 1873. He opened the first school for the untouchables, advocated for the
widow remarriage and led a vigorous movement against the barbarous custom of shaving off the heads of widows. During the period such movements were observed in all parts of India working on similar issues and concerns.

In the national politics and pre-gandhian era there was a debate on social reforms and political advancements. However, the debate was soon resolved with the emergence of Gandhiji in the Indian politics. Gandhiji brought a movement of economic betterment and along with social upliftment. Gandhiji took up various social issues like untouchability, education, village development programme etc. He pleaded for equality of women and afforded them a status equal to men in his public as well as private life.

The activities of social welfare and non-profit sector in the colonial period varied due to sharp contrast between Indian values and emergence of colonial state. During the nationalist movement the focus of social welfare was on social progress of society. However after Independence, the formation of Indian Government gave emphasis on economic development. The enactment of Indian constitution in 1950 gave a new shape to the welfare approach through making the state responsible for welfare of all people. During the first planning period the state took active involvement in social and cultural field and many new organization in like Central Social Welfare Board, Sangeet Natak Akademi (for the performing arts), Lalit Kala Akademi (for plastic arts), National School of Drama, Film and Television Institute etc. The most important of these were the Viswa Bharati University, Shantiniketan established by the Nobel Laureate Rabindranath Tagore, and the Jamia Milia Islamia, New Delhi. During the 1980 the Central and State Governments started funding the various non-profit organizations for welfare programmes. This brought the new dimension in the social welfare scenario in India. During 1990 the emergence of new global policies attracted various International welfare organizations and bilateral efforts for funding the social and economic programme of State and non-profit organizations.

Social Work as Profession:
The purpose of social work has always been to help the needy people. The identification of situation in which need for existence exist depends upon knowledge of internal and external environment of Individual that cause him distress or prevent his functioning in a manner conducive to his own betterment of life. In addition to that sometimes the value structure adheres by the society also become instrument in revealing the situation of disability, which requires remedial action.

In traditional societies disability was seen as an expression of divine wrath and object of assistance was primarily to provide relief and mostly motivated by a feeling of pity or compassion through religion. The nature of the activity was simple mainly provision of material aid on ad hoc basis. There was no responsibility on continuous basis. Advice and guidance to people in mental distress was also given by priest and prophets to those who sought them. In all societies the needs of individuals were primarily met through family. The few whose needs could not be met within family for one or other reason become the object of charity. Charity was as duty enjoined b religion. Through charity one could seek salvation. Begging was regarded as a legitimate activity for those who belong to religious order and had voluntarily served family ties.

In the western societies, the wake of industrialization made it necessary to have special provisions for the adversely affected by the socio-economic changes. The nineteenth century saw the expansion of the role of the state especially for the protection and welfare of
industrial workers. It also saw an unprecedented growth of philanthropic organizations. It is within these organizations that the new concept of social work took root.

The new concept of social work emphasized proper investigation of the circumstances of person seeking assistance, assessment of their needs and planned programmes of assistance both material and psychological. The goal was to enable the individual as far as possible to stand on his own legs. Through in its early stages, the concept of social work included within its purview social reform, it soon become almost exclusively concerned with the problem of bringing about adjustment and development of individual to given social situation.

**Social Work as Profession in India:**
Recently, social work has emerged as vocation in India and it is still struggling to achieve the status of professional status. There are various controversies over nature of social work in India. Some authors recognize it as activity promoted by religious ideologies while other correlates it with working for the backward sections of the society. However, there is no such agreement on the exact nature of social work in India.

Since the establishment of the Tata Institute of Social Sciences (founded as Sir Dorabji Tata Graduate School of Social Work) in 1936, there has been proliferation of institutions imparting education and training in social work in the country. Presently, most of the Central Universities in India are having bachelor and master degree courses of social work and also many private institute and universities have also initiated courses on social work education. However, the number of graduates comprising women in the field of social work constitutes a very small section. Moreover, many of them are not employed. Amongst, the rest at least 50 percent employed in the field of labour welfare, personal management and industrial relations.

In India the Factories Act requires that an industrial establishment must employ a person to look after the welfare of the workers. Outside the field of labour, professional social workers have been employed in medical and psychiatric institutions and in the institutions providing care and correctional services. The employing agencies are both governmental and non-government organizations.

In the recent years, professional social work has shown special interest in family planning and child care programmes. Many seminars and conferences on themes of social work have emphasized the need for major involvement in the thrust areas, also steps have been initiated by international humanitarian organizations in proving funds for manpower development and action research projects.

In India most of the professional social workers are involved in social administration of the welfare programmes because the jobs at the direct service do not have much salary scale. Most of the graduate students of social work opt for labour management as career due to high salary scale and recognition.

**Role and Functions of Social Workers:**
The roles and functions of social workers vary with services they offer to their client system. Nowadays social workers are employed in both Government and private sector. In general, the following are the fields in which social work is practised:

1. Child Development
2. Women Welfare
3. Correctional Services
4. Rural Development
5. Industrial Development
6. Health
7. Mental Health
8. Education
9. Social Defence
10. Family Planning
11. Mental Retardation
12. Social Development
13. Environment

The roles and functions played by social workers in serving their clients are as follows:

1. **Care Giver:** As a care giver he counsel and support people with problem in a therapeutic way to promote change.
2. **Consultant:** As a consultant he works with individuals and groups to assist in their problem and programmes.
3. **Broker:** As a broker he helps people to reach the services they need and makes the system more useful.
4. **Mobilizer:** As a mobilize he tries to bring new resources to the individuals and groups. He gather and analysis information and programme planning and evaluation working as data manager.
5. **Evaluator:** As a evaluator he evaluate the strength and weaknesses of individuals and groups, their needs and problems.
6. **Advocate:** As a advocate he works for the improvement of policies and laws in order to make system more efficient.
7. **Referral:** As a referral worker he refers the individuals and groups to use the services available in other agencies.

**Rationale of the Study:**
The term welfare is concerned with all aspects of human growth and development. Historically, welfare has been recognized as important aspect of all religious and social activities. However, the welfare work has attained the status of professional activity recently in India with the initiation of professional courses on social work practice. Now, many Government universities, private universities and Institutions run courses of social work. The trained social work professionals are employed in Government welfare departments, Non-government organizations, International organizations and also nowadays in corporate sector.

Despite the efforts made by professional bodies of social workers, the term Social Worker is still been used very casually for any person doing any spiritual, political or welfare work for the benefit of society. The role and function of such social workers vary with their personal interest and motives. However, in social work literature we have considerable body of literature which defined the role and responsibilities of a social worker in various field settings. In India the role of a social worker to a large extent is understood in terms of role of social reformer or change agent. The complex nature of Indian society further makes the role of social worker very challenging. The present paper is an attempt to explore the role of social workers in non-government organization. The objective of present paper is to
understand the difficulties faced by social workers while working in non-government organizations.

The findings of the study would be useful for both academicians as well as for people working in social work field in reconceptualising the skills, techniques, methods and understanding required for social workers in delivery of their services to meet the requirement of social welfare organizations.

**Methodology:**
The present paper is an exploratory work to gain insights of problems faced by social work professional employed in non-government organizations in delivery of their services. For conducting the above study, an interview schedule is being used for data collection in 10 NGOs working in Delhi. The findings of the study have been qualitatively analysed.

**Findings of the Study:**
In India, the non-government organization have been working as a service provider where the government is unable or sometimes not willing to provide direct support for the welfare programmes. Presently more than 3.3 million registered NGOs and several unregistered NGOs are currently working in India at grass-root level for issues related to poverty, HIV/AIDS, homelessness, livestock development, women empowerment, immunization, child rights etc. The functioning of NGOs is so significant that Government of India and other International organizations encourage them through providing monitory and logistic support for their welfare programmes.

In India, non-governmental sector has become a major source for recruitment of trained social work professionals. However, certain factors that influences social changes in the society like the enactment of various social legislations by the government, social movements by mass, economic change and adoption of privatization and globalization policies in the last two decades have reoriented the non-government sector towards their roles, functions and activities.

The changes that have been observed in the non-government sector had laid an impact on roles and function performed by the social workers. During interaction with social workers in the selected organizations the following roles and function have been identified such as:-

1. **Donor relations:** Managing the donor relations is an important task in non-government organizations because nowadays most of the NGOs are getting monitory support for running their projects through private funding sources. In such a scenario managing the donor relations becomes a significant function of social workers employed in the NGOs. The social workers are assigned to regularly maintain a formal communication with the donnee organizations. They have to take representatives of the donnee organizations for field visits as they have the full orientation of different aspects of the projects.

2. **Reports preparation:** Report writing is an important administrative task in an NGO. The social worker employed in NGOs are assigned task to look-after the documentation process. They prepare various types of reports requested by the private donnee organizations as well as from government departments. They also have to
prepare reports for promotional purposes of programmes and activities of the organization like annual reports, quarterly report etc.

3. **Preparing project proposals:** Project proposal is also an important area where no NGOs can compromise. As most of the national, international, governmental and corporate organizations give funds to the NGOs on the basis of project proposal submitted by the organizations. The social workers in NGOs are assigned the task to identify and conceptualize the areas for projects preparation. The work of social worker is not limited to identifying and preparing the project proposals only but some NGOs also insist them to identify and formalise the funding sources from all levels where they can avail funds for running their projects.

4. **Fund generation:** Fund generation for ongoing as well as for upcoming projects is an important task for NGOs. Social workers also collect funds through searching the government and private sources and by conducting any event or telephonically convincing people to donate for getting tax benefits etc. which is really a tough job like a salesman in a company.

5. **Conducting meetings of programme staff:** Management of staff at every level is an important activity in administration of NGOs. The social worker are assigned task to conduct meetings with all staff members including field staff for appraisal for their work. The social workers also orient the field staff members about the guidelines of the various programmes and also expected benefits from the programmes.

6. **Conducting training of field staff:** The training of field staff is an important area for successful implementation of programmes in an NGO so, social workers are assigned task to orient and conduct various training courses for field staff.

7. **Conducting monitoring and evaluation of projects:** Monitoring and evaluation of ongoing project is an important task for NGOs. The social workers conduct regular monitoring and evaluation visits through conducting meetings with programme functionary staff. The social workers also prepare monitoring and evaluation reports for the donors as well as for the organization to assess the successful performance of the implemented programme.

**Challenges faced by Social Workers in Non-Government Organizations:**
The role and functions of social workers in non-government organization are very significant for overall management and success of welfare programmes. In India, most of the non-government organizations recruit trained and experienced social workers for implementation of welfare programmes. Ironically, the role and functions of professional social work is still a challenging affair. During my interaction with social workers in NGOs they shared their discontent on the following issues:

1. **Lack of knowledge about Culture:** The knowledge of culture pertaining to norms, values, customs etc is an important area for planning and execution of welfare programmes for a particular community as in India, we have diversity of culture, languages and customs from one state to another. During my interaction with social workers, most of them shared that they face lot of difficulties due to their limited...
understanding of Indian culture. Although, they are having some conceptual understanding of the term culture which is based on thoughts of western authors but at the practice level, they feel that the knowledge proves insufficient in understanding the diversified nature of Indian society. Most of them faces problem in understanding how the culturally acceptable practices of one Indian community becomes unacceptable in other Indian communities. Also how culture, values and norms of one community dominates over culture of another Indian communities.

2. **Problem in using SW Methods**: The social work as a profession is based on application of six methods. The theoretical knowledge and the whole base of skills, techniques and principles of social work are based on these methodological approaches. During my interaction with social workers, they shared that most of the methods and principles of social work practice are very difficult to use at the practical level due to diversified nature of Indian society and also lack of understating at the organization level in using the methods and principles at the programme implementation level.

3. **Lack of field exposure**: Social Work is a field based profession. All methods of social work practice are based on field work practice. However, most of the social workers shared that in NGOs, most of their time is consumed at the programming, planning and management level and they get very few chances to visit the field level activities.

4. **Lack of recognition**: Every profession demands recognition for its growth and development. Like other professions viz; engineering, medical, management etc; the social work profession is still striving for recognition in India. In NGOs sector mostly organizations prefer to recruit people from management field for administrative positions. During my interaction with social worker, I found a lot of discontent among them towards their roles and functions because of lack of acceptance and recognition of their work at the organizational level.

5. **Lack of authority**: Every profession is associated with some specialization that constitutes its recognition and authority. In social work profession there is a debate over issues related to authority of social workers. However, this debate becomes intense when it comes for comparison with other professions at the organizational level. During my interaction with social workers, they shared that they feel disempowered while working with other professionals in the organization because of lack of recognition of their professional roles. They face problems in putting forward their inputs at the programme planning and implementation level. They are sometime considered as supporting staff in the organization.

6. **Lack of clarity about the tasks**: The social workers have a very wide scope of role and functions in an organization. The trained social workers are employed by NGOs at every level of their programmes and activities depending upon their ability. During my interaction with social workers, they shared that the wide scope of role of social workers sometimes create issues in getting clarity of their tasks at the organizational level. Many of them informed that most of the time clerical jobs are assigned to them. That result in dissatisfaction among them towards their own profession.
7. **Lack of training in communication skills**: Communication skills play an important role in professional development of an individual. In social work also the communication skills play an important role while working with client system. During my interaction with social workers they shared that in NGOs reporting is assigned to them and most of them have to struggle very hard to meet the standards of the organization. They shared that face problem in language related skills and often face difficulties in report preparation.

8. **Lack of knowledge about the legal aspects**: The understanding of legal aspect is an important area for any professional activity. In social work education, the social workers are imparted some basic understanding of legal system and concerns. During my interaction, most of the social workers expressed that they face problem due to their limited knowledge and understanding of legal control on various social issues and problems. Due to that they have to depend upon other legal professional like Law Researcher for taking advice for cases and also for making and implementing any programme that involves legal aspects.

**Conclusion and Suggestions**:
The non-government sector plays a very important role in identifying the needful and neglected issues of the society and works very hard for their upliftment thereby implementing various programmes concerning the poor, downtrodden and marginalized section of the society. The role of social worker in non-government organization is also very significant in understanding human needs and problems as well as providing humanistic services for making the life of individuals, groups and communities more sustainable.

After the implementation of new economic policies after 1990s, certain factors that influenced the social change in the society like enactment of various legislations, social movement by mass, adoption of privatisation and globalisation policies have brought changes in the orientation of non-government sector. Now, thousands of registered NGOs continuously strive to attain more and more financial support for their projects both from Government, International organizations and corporate organizations. Today we can easily locate the presence of NGOs in every human settlement.

The increase in the funding opportunities has also increased the cut-throat competition between the NGOs for attracting more and more donors for financially supporting their projects. However, this competition to a larger extent has brought changes in the traditional role and functions of social work professionals. Now, due to various technical guidelines of the donor organizations compel the NGOs to recruit trained professionals from social work field but once they recruited in an organization then the scope for practice the social work principles, methods, tools, techniques become very bleak for them because they are mostly assigned the tasks of preparing project proposals, fund generation, managing donor relations etc.

In the present study a lot of concern have been generated towards the role and functions played by the social workers in a voluntary organizations. There is lot of discontent among them towards role, function, authority and recognition of their profession.

In view of the above, there is a need for reconceptualise the role of social workers both at practice level as well as theoretically for making the social work profession more adaptable towards the requirement of the voluntary sector. The following suggestions may be useful:
1) Orienting the social workers towards the diversified nature of Indian society.
2) Making available more and more literature of social work methods concerning the Indian society to the social work students.
3) Provide training to social workers towards various communication and language skills.
4) Generate concern towards the recognition of social work profession in India
5) Involve some aspect of management studies in social work education.
6) Involve the legal aspect of various social issues and problems in social work education and also provide practical exposure of legal system to social workers.

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