Review of *Work Behavior of the World's Poor* by Mohammed Sharif. Burlington, VT: Ashgate Publishing Company, 180 pages.

This book is written by an economist for economists, but it has information that is relevant for anyone who's concerned with poverty and social justice. Therefore, the role of this review isto help explain the importance of this book's observations for those who don't specialize in economics.

Economists have long worked under the assumption that the higher the price of a good, the more suppliers will want to sell. But they are aware that, in the labor market, it is possible that higher wages will actually cause workers to supply less labor. When wages go up, workers find jobs more attractive, but they also have more income and can afford more leisure. Economists long hypothesized that at low wages labor is unattractive relative to leisure and that workers work less; as wages rise, labor is more attractive making workers want to work more; only at very high wages, when workers have satisfied most of their material wants, will workers reacting to higher wages by working less. They call this relationship a "backward-bending labor supply" because the relationship between wages and the hours of work changes directions. Based on this hypothesis economists have only expected to find an inverse relationship between wages and hours worked at very high wages.

Sharif has found that the hypothesis of a backward bending labor supply does not fit the data for the work behavior of the world's poor very well. Because most of the world is very poor, it hasn't really fit the global labor market very well. Poor people around the world tend to have this "inverse relationship" even at very low wages: When wages go down the poor work more, when wages go up they work less. Why do you suppose that is? If you want to have some fun reading this review, and perhaps make yourself feel smarter than a generation of economists, stop reading for a moment and try to come up with your own theory of why very poor workers might work more rather than less at lower wages.

Most economists have never conducted research on the world south of the Rio Grande and the Mediterranean, but even those who study lesser developed countries (LDCs), have had a hard time explaining this inverse relationship. Sharif cites a large number of economists between 1950 and 1980 that called the behavior of poor workers in LDCs as “perverse,” “lacking ambition,” and displaying a “strong preference for leisure.”

But Sharif finds a much simpler explanation for the work behavior of the world’s poor: They are overworked. Most workers in poor countries have no other source of income than their job. If wages are extremely low, they have no choice but to work as many hours as they need to attain subsistence. If you considered that possibility, you have outperformed a generation of economists. Using data from the Indian subcontinent, Sharif finds that this inverse relationship “is observed when the workers are found to engage in unusually long hours—an average of 72 hours a week—in physically exerting jobs.” The increased hours of work at very low wages are accompanied by fewer hours of rest and reduced food consumption—signs of economic distress not of a strong preference for leisure. Sharif’s evidence strongly contradicts the idea that workers in LDCs have a strong perverse preference for leisure. Rather than having one bend, the labor supply has two bends in it. The point at which poor workers begin to respond to decreases in wages by working more reveals the point at which they fall into economic distress. The policy implications are clear; workers in lesser developed countries need something to relieve their economic distress more than they need more work at current wages.

Economists got it wrong partly because they are overwhelmingly from developed countries, where many workers have access to other sources of income and aren’t as desperate for work as most of the world’s workers. It’s very easy to lose sympathy for people when we don’t really understand their circumstances, and economists aren’t the only ones who need to learn that lesson.