

FOREWORD

The series *Advances in the Economic Analysis of Participatory & Labor-Managed Firms* was launched almost three decades ago by Derek C. Jones and Jan Svejnar. Since then, *Advances* has been a leading forum for high-quality original theoretical and empirical research in the broad area of participatory and labor-managed organizations. While general and specialized journals publish work in this field, many do so only occasionally. *Advances* has been the only annual periodical that presents some of the best papers in the field in a single volume.

It is my great pleasure to present Volume 14 of *Advances in the Economic Analysis of Participatory & Labor-Managed Firms*. *Advances* has been making frequent use of guest editors. This volume is also ably edited by Douglas Kruse, one of the world's foremost experts on profit sharing and employee stock ownership. The 2008 financial meltdown and the ensuing Great Recession continue to remind us of the fragility of the traditional form of capitalism. It is most timely that this year's *Advances* is edited by Douglas, a major driving force behind the shared capitalism movement. I find it particularly satisfying and encouraging that Douglas has been able to include in his volume a number of excellent contributions from young researchers in the field. It is my sincere hope that this year's volume will further encourage young scholars to consider contributing to the future volumes of *Advances*.

The scope of *Advances* will also continue to reflect great changes in the realities of participatory organizations over the last few decades. Following the disintegration of the former Republic of Yugoslavia, the principal systemic example of self-management was replaced with diverse forms of participatory systems. In advanced market economies, many firms have been experimenting with new and innovative work practices aimed at promoting employee participation in decision making in the workplace (sometimes even at the top corporate level) and collective incentive pay (e.g., profit sharing, gain sharing, team incentive, employee stock ownership plans, and broad-based stock options). A complementary set of such practices are often called a "high-performance work system" or "high-involvement work

system.” In addition, a number of significant examples of worker cooperatives have flourished (e.g., Mondragon). In transition economies, the collapse of the former USSR triggered widespread experimentation with diverse forms of participation, in particular employee ownership.

Methodologically, *Advances* will continue to welcome papers utilizing diverse methodologies, ranging from conventional economic analysis (including both theoretical and econometric studies) to new institutional economics to behavioral economics.

I hope you will find this volume informative and stimulating and that you will consider contributing to the future volumes of *Advances* and sharing information about *Advances* with other interested colleagues.

Takao Kato
Series Editor