

**LABOUR STANDARDS AND THE “RACE TO THE BOTTOM”:
RETHINKING GLOBALISATION AND WORKERS RIGHTS FROM
DEVELOPMENTAL AND SOLIDARISTIC PERSPECTIVES**

ESRC Centre for Business Research, University of Cambridge
Working Paper No. 279

By

Professor Ajit Singh
Faculty of Economics and Politics
University of Cambridge
Cambridge
CB3 9DE

Email: as14@econ.cam.ac.uk
Tel: +44 1223 350434
Fax: +44 1223 740479

and

Ann Zammit
Independent Consultant currently with
UN Research Institute for Social Development

March 2004

This working Paper forms part of CBR Research Programme 2
on Corporate Governance

Abstract

There is a protracted stalemate between rich (the North) and poor (the South) countries over the question of minimum labour standards in developing economies. This paper is a sequel to Singh and Zammit (2000). It considers afresh key issues in the controversy. While fully recognizing the moral, political and philosophical dimension of this complex issue, the paper concentrates on the central economic question of the “race to the bottom”. It emphasizes the difficulties of establishing labour standards in the vast informal sectors in developing countries and suggests that the ILO conventions 87 and 98 should be amended to properly reflect these concerns. It also argues that ILO core conventions should be broadened to include the right to decent living. The overall conclusion is that labour standards are important indicators of economic development but their promotion is best achieved in a non-coercive and supportive international environment such as that provided by the ILO.

JEL Codes: J80, J83, O10, F10

Keywords: Labour standards, Globalisation, Informal sector,
Economic Development.

Acknowledgements

This paper is forthcoming in Oxford Review of Economic Policy. The authors are grateful to the Editors and to two referees for their constructive comments. It is a pleasure to acknowledge the assistance provided by the CBR and the ILO for this project. The usual caveat applies.

Further information about the ESRC Centre for Business Research can be found on the Internet at the following address: www.cbr.cam.ac.uk

1. Introduction: The Context and the Current State of the Controversy

The question of establishing minimum labour standards in developing countries as a foundation for globalisation raises complex issues in many dimensions – economic, political, moral and philosophical. The subject is also deeply divisive as it pits workers of the North (the rich countries) against those of the South (the poor countries). For the last twenty years the United States and a group of advanced countries, US trade unions, and the International Confederation of Free Trade Unions (ICFTU), have led a concerted campaign at GATT and subsequently at the World Trade Organisation (WTO) for instituting higher labour standards in developing countries. Developing countries have, however, resolutely opposed any discussion of labour standards at the WTO regarding these as thinly veiled protectionist devices.¹

The labour standards at issue are those embodied in the various ILO Conventions (see Table 1). Of these, freedom of association and collective bargaining (Nos. 87 and 98), freedom from forced labour and discrimination (Nos. 29, 105, 111) and abolition of child labour (No. 138, subsequently amplified by the Convention Concerning the Elimination of the Worst Forms of Child Labour, Convention No.182), are regarded as the basic principles of the ILO. At the 1998 ILO conference, the Declaration of Fundamental Principles and Rights at Work, embodying the seven core conventions in Table 1, was unanimously adopted by the member states. By doing so, the nations of the world accepted the obligation to implement the core conventions by virtue of their membership of the ILO, whether or not they had ratified the conventions themselves. The Declaration, however, stated explicitly that labour standards should not be used for protectionist purposes. It also suggested that these basic principles and rights should not in any way affect the comparative advantage of any country (say, for example, in labour intensive goods). It is significant that the core conventions do not include minimum wage as that might have been regarded as distorting a country's comparative advantage. Although the Declaration provided for annual reports by the Director-General on the implementation of these conventions, the U.S. and its allies complained that the ILO had no teeth, i.e. it was unable to use any sanctions against the offenders. Advanced countries would therefore prefer WTO, which has a dispute settlement mechanism (DSM) as well as an ability to impose sanctions, to take up labour standards as an important part of its mission. Developing countries totally disagree, and do not wish for the matter even to be raised at the WTO. There has thus been a protracted stalemate between the North and the South on this critical issue.

Table 1. *ILO's Core Conventions*

	Year	Convention	No. of Countries Ratifying
1. Forced Labour	1930	No. 29	152
2. Freedom of Association and Protection of the Right to Organize	1948	No. 87	128
3. Right to Organize and Collective Bargaining	1949	No. 98	146
4. Equal Remuneration	1951	No. 100	145
5. Abolition of Forced Labour	1957	No. 105	144
6. Discrimination Convention (Employment and Occupation)	1958	No. 111	142
7. Minimum Age ²	1973	No. 138	88

Source: Singh and Zammit (2000), pp. 79.

After the failure of the Cancun Ministerial Meeting in September 2003, the future of the WTO, and indeed of the multilateral trading system, is very much in flux. Nevertheless, the issues examined in this paper continue to be highly relevant, as the U.S. government is taking unilateral initiatives to enforce its agenda on these matters in regional and bilateral treaties with individual developing countries [Palley (2003); Elliot and Freeman (2003)]. Bhagwati (2003) suggests that the Bush administration and the Congress use the new bilateral treaties with labour standards as templates for future such treaties with other countries, as well as for multilateral agreements.

This paper is a sequel to our earlier policy monograph Singh and Zammit (2000), which examined the labour standards issue from a developing country perspective that took poverty elimination and decent work for all as the prime objectives. Since that time, the debate on the subject has become even more intense and a large amount of literature both from academics and civil society organisations continues to come out. The complexities of the issues involved have lead to quite unexpected groupings of opponents and proponents of standards. Thus the opponents include not only the employers in developing countries (as one would expect), but also trade unions, governments, NGOs and progressive intellectuals in the South as well as the North. Similarly, the proponents include not only the US trade unions but also importantly, progressive students in US universities as well as governments and intellectuals (mainly from the North but notably some also from the South).

In the recent period, there have been two major academic contributions, which help to clarify the main issues, without necessarily resolving them. The first is Basu et al. (2003) which brings together perspectives on labour standards from economic history, theoretical economics, analyses of child labour and the role of international organisations by a distinguished list of US and non-US academics. The second contribution, Elliott and Freeman (2003), among other things provides a comprehensive analysis of the successes and failures of the U.S. campus anti-sweatshop movement. The latter, together with a large number of other NGOs, has been playing a prominent role in this sphere at the grass roots level. This movement has succeeded in persuading many big corporations to undertake to end child labour, provide minimum wages and decent conditions of work for their direct employees and those of their sub-contractors in developing countries. They have also been able to persuade many consumers in the North to pay higher prices for goods produced in establishments with proper labour standards. A forthcoming contribution by Naila Kabeer (2004) is also important for its analysis of the labour standards issue from a women's rights perspective in a developing country context.

The developing country arguments against compulsory internationally imposed labour standards were explained in Singh and Zammit (2000). The essential point of these arguments was that, as signatories to the ILO conventions, developing countries are committed to labour standards: indeed raising standards for all the working people is regarded as being synonymous with development. The reasons that developing countries are unable to implement labour standards quickly is, not because their governments are corrupt or perverse, but largely because of the structure of their economies and their economic circumstances. The main issue is therefore not whether developing countries should have labour standards, but rather what should these standards be, and what is the best way of implementing them? Is it best done through a multilateral agreement at the WTO, or are there other means that are more appropriate?

The present paper will analyse some key issues in this ongoing debate. While fully recognising the significance of the social and moral issues, the paper will focus first and foremost on the economic questions, particularly that of the so-called 'race to the bottom'. The concern with the latter issue goes back to the founding of the ILO 80 years ago; the Preamble to its Constitution notes³:

'The failure of any nations to adopt humane conditions of labor is an obstacle in the way of other nations which desire to improve conditions in their own countries.'

This ‘race to the bottom’, as we shall see below, has emerged as a key economic issue in both the intellectual argument on labour standards as well as in the political campaign of the activists. It is also arguably a significant factor in the U.S. government’s stance on labour standards, which has had bipartisan support in Congress and the Administrations for many decades.

Secondly, the paper will discuss the question of labour standards in the informal sector. It will be argued here that an important step forward would be to amend Conventions 87 and 98 of the ILO, so as to recognise the different kinds of representation and the types of redress needed by those engaged in agriculture and in the informal sector in developing countries. The legitimate role of the state to represent the interest of those who are excluded in the collective bargaining between the employers and employees in the formal sector also needs to be explicitly acknowledged.

Thirdly, the paper takes forward the controversy on labour standards by departing from orthodox analysis in two other ways. One, it seeks to connect more precisely the issues of poverty and labour standards by purposefully introducing economic growth into the analysis⁴. Two, it will argue that there is much common cause between workers in the North and in the South. However, for this common cause to prevail, labour in the North and the South should propose solidaristic globalisation involving radical changes in the current pattern, which would benefit workers all over the world. Such community of interest between working people of the North and the South is entirely feasible and wholly desirable.

It is important to be clear about what is meant by labour standards. In order to have a focussed analysis, this paper will be concerned mostly with the ILO’s core labour standards mentioned earlier. However, within these, it will concentrate on two of them: freedom of association and the right to free collective bargaining (FACB). These two, apart from child labour, have generated most controversy in international discussions.⁵ An important argument of the proponents is that FACB do not affect a country’s comparative advantage and should therefore be acceptable to developing countries. However, there is also a rather different line of analysis which suggests that if these two sets of rights were available to developing country workers, it would empower them to fight against sweatshop conditions of work as well as to be able to obtain their due share of fruits of economic growth through trade union action. The emphasis on these two standards should not obscure the fact that apart from the other core standards (particularly child labour), a number of non-core standards including health and safety and minimum wages are also salient. This paper concentrates on the two core standards but other standards

will also be referred to as appropriate. This is especially the case with the question of minimum wage as this is an important part of the US anti-sweat shop movement's campaign for a 'living wage'. As Elliot and Freeman note, the lines between core and non-core standards have become blurred in the course of this campaign. Importantly, minimum wage is included in many of the U.S. bilateral or plurilateral treaties with developing countries.

The paper is organised as follows. Sections 2 and 3 consider the concept of the 'race to the bottom' for developed countries in analytical and empirical terms. The essential question is how, and to what extent if any, deficits in labour standards in developing countries affect the well-being of the North's workers. Sections 4 and 5 will examine the analogous question for developing countries: how might the imposition of labour standards harm their competitiveness and thereby their prospects for achieving fast economic growth? In each case we shall attempt to provide, as far as possible, empirical answers to these questions on the basis of the available research. Sections 6 and 7 consider important issues of labour standards in relation to the informal sector, the question of sanctions, the role of ILO and the WTO and the elements of solidaristic globalisation. Section 8 concludes.

2. Race to the Bottom and Labour Market Deficits in Advanced Countries

Does the absence or the non-implementation of labour standards in developing countries lead to difficulties in the labour market for advanced country workers, or to the erosion of their own standards? The question is important because if the outcome is large and negative for the North's workers, it does not augur well for co-operation between them and workers in the South. The latter in turn may not accept standards if their own economic well-being is threatened by them. These are of course pre-eminently empirical questions that stand at the heart of the debate on labour standards.

However, before these questions can be considered, there is a prior issue that needs to be addressed at the outset. It should be recognised that if one literally takes the view, as some proponents of labour standards do, that the core labour conventions have the same status as fundamental human rights, which all countries should apply regardless of their level of development or their economic costs and benefits, there is not much room left for economic analysis. If labour standards are a fundamental human right, then by definition these should be applied as speedily as possible without much attention to their economics.⁶ Fortunately, most analysts do not share this absolutist position.⁷ Even the UN High Commission for Human Rights recognises that some human

rights cannot be implemented at a stroke, but are goals to be worked towards (Robinson, 2000).

In the language of welfare economics, the ‘race to the bottom’ theory may be regarded as a cross-border externality of low labour standards in poor countries for labour in the richer countries. This justifies intervention to correct it, say by international agreement or by an international agency. This is of course subject to the usual caveats including the assumption in this case that there are no significant costs arising from failures in international governance. Staiger (2003) provides a more complex analysis of the ‘race-to-the-bottom’ in terms of “pecuniary” and “non-pecuniary” international externalities. The pecuniary externality arises from the fact that, say, the US is concerned about India’s labour standards because of their implications for the economic well-being of US citizens. However, if the externality from, say, poor Indian labour standards is viewed by the US in political or in humanitarian terms, the international externality would be non-pecuniary. Staiger goes on to draw implications from this kind of analysis for whether the appropriate regulatory body for labour standards should be the WTO or the ILO.⁸

However, in less abstract and more empirical terms, the ‘race-to-the-bottom’ hypothesis can be examined in two forms. In its weaker form, it simply suggests that advanced country workers will be subject to serious difficulties in the labour market, as a result of globalisation without adequate labour standards. It will be appreciated that the basic apprehension here is about competition with low wage countries, rather than those simply with low labour standards. In practical terms low wages and low standards generally go together. There is also, however, an implicit dynamic argument underpinning the weak form of the race-to-the-bottom hypothesis: in the absence of FACB core standards, which would provide Southern workers with a mechanism to raise wages and/or labour standards, developing countries would become even more of a competitive threat over time, as their wages may not rise adequately given their productivity growth.

In its strong form the race-to-the-bottom hypothesis suggests that globalisation may not only create labour market difficulties for advanced country workers, it will inevitably lead to a competitive erosion of labour standards everywhere including in advanced countries themselves. This is the implication of the extract from the Preamble to the ILO’s Constitution quoted in Section 1. To avoid terminological confusion it may be useful to note that globalisation here refers to liberalisation of trade and of long-term capital movements (i.e. FDI) between countries (we shall return to this matter in section 7, which will also

consider the question of short-term capital movements, i.e. financial globalisation).

To investigate the weak and the strong form of race-to-the-bottom hypothesis, the following specific issues would need to be addressed:

- Has there been deterioration in labour market conditions in the North during the last two decades (the era of globalisation) when international competition has become more intense?
- If there is deterioration, is it due to greater competition, particularly due to trade with developing countries with sweatshop conditions?
- Have North-South interactions in this area resulted in the race-to-the-bottom for labour standards in all countries, as the strong form of this hypothesis suggests?

2.1 Labour Market Deficits in the North

The labour markets in advanced countries during the last two decades have suffered from important deficits: (a) increased wage dispersion and income inequality in some countries particularly the US; (b) mass unemployment in European countries and (c) ‘de-industrialisation’ in most advanced countries. A main issue here has been to what extent, if any, can these deficits be ascribed to globalisation, and specifically to trade with low income, low labour standards developing countries. The following stylized facts give an indication of the nature of the North’s labour market deficits:

- The growth rate of average real wage in the U.S. economy was 0.25 per cent a year during the 1980s and 1990s compared with the historic norm of 2 per cent a year.
- Wage dispersion and income inequality in the U.S. greatly increased during the 1980s and ‘90s, after having remained steady or declined for almost fifty years before.
- There was also considerable de-industrialisation with millions of people losing good jobs in manufacturing and being relocated in ‘informalised’ service sector jobs, or remaining unemployed.

- In Europe, in contrast, the main deficit has been mass unemployment instead of increased inequality. (This is often ascribed to Europe's greater labour market inflexibility compared to the US). There was also considerable de-industrialisation with consequences broadly similar to those in the U.S.

Coincidentally these labour market difficulties in the North have occurred at much the same time as the big rise in the South's manufactured exports to the North and a huge increase in FDI investment in the South. As a consequence, the share of industrialized countries in world manufacturing exports fell from 83 per cent in 1980-82 to 71 per cent in 1996-98, while in the same period, developing countries' share rose from 12 per cent to 25 per cent. Data presented in Table 2 indicates the fact that a group of about two dozen manufacturers-exporting developing countries (ME), over the period 1980-82 to 1996-98, have been greatly increasing their import penetration not only of industrialised developed countries but also providing these countries with severe competition in all other developing regions.

Table 3 suggests a nearly five-fold increase in FDI inflows as a percentage of gross domestic capital formation in all industries in the world as a whole over the last two decades. However, developing countries have done better in this respect than developed countries and their advantage is greater still in FDI flows into manufacturing, leading to fears of 'hollowing out' of industry in advanced countries.

Table 2. *Percentage Distribution of Manufactured Imports by Source Region 1980-82 and 1996-98*

Source region	Importing region							
	ID		ME		PE		DC	
	1980-82	1996-98	1980-82	1996-98	1980-82	1996-98	1980-82	1996-98
ID	87.0	74.8	82.3	62.2	85.2	74.3	79.6	62.7
ME	10.3	21.4	15.8	36.5	9.2	22.0	13.0	29.8
PE	0.4	0.7	0.6	0.5	1.8	1.8	1.1	1.5
DC	0.1	0.3	0.4	0.5	0.9	1.8	3.7	1.5
TC	2.2	2.8	0.9	0.3	2.9	0.1	2.6	4.5

Source: Ghose (2003)

Notes:

- ID= Industrialized Countries
- ME= Manufactures-exporting developing countries (24)
- PE= Petroleum-exporting developing countries (17)
- DC= Developing countries (90)

Table 3. *The Importance of FDI Flows in Capital Formation, by Region and Sector 1980, 1990 and 1998*

Region/economy	FDI inflows as a percentage of gross domestic capital formation: all industries	FDI inflows as a percentage of gross domestic capital formation: manufacturing	FDI inflows as a percentage of private capital formation: all industries
World			
1980	2.3	9.0	3.4
1990	4.7	14.0	5.4
1998	11.1	21.6	13.9
Developed Countries			
1980	2.7	8.5	3.4
1990	4.9	11.9	5.2
1998	10.9	16.6	12.9
Developing Countries			
1980	1.2	11.7	3.6
1990	4.0	22.3	6.7
1998	11.5	36.7	17.7
Central and Eastern Europe			
1980	0.1	-	-
1990	1.5	-	0.7
1998	12.9	-	16.2

Source: *United Nations 2000, pp. 5.*

The coincidence of timing does not, however, establish causation. On the causal connection between North's labour market deficits and trade with the South, there is a voluminous and often contentious literature. It has nevertheless reached some robust empirical conclusions. The relevant ones for our purpose may be summarized as follows⁹.

- De-industrialisation in the North is mostly a product of economic and technological developments internal to these economies and it has very little to do with trade with developing countries. Indeed, for some Northern countries, in some periods, manufacturing trade with the South may have increased employment rather than to have reduced it.
- Most recent empirical research indicates that the available evidence is not compatible with the hypothesis that increased income inequality, say in the US, is to any significant degree due to North/South manufacturing trade.

- It is difficult to ascribe Europe's mass unemployment to its relatively small manufacturing trade with developing countries. The literature singles out other more important proximate causes, namely labour market rigidities and a decline in the trend rate of growth of real demand and of output during the last two decades, compared with the 1950s and 60s.

Thus, the available evidence does not on the whole provide much support for the weak form of the 'race-to-the-bottom' theory. There is, however, an important caveat that deserves attention. The fact that manufacturing trade with the South has so far not caused any general harm, or may even have benefited advanced countries, does not necessarily mean that it may not do so in the future.

3. Erosion of Labour Standards in the South and the North

We turn now to assessing the strong form of the 'race to the bottom' hypothesis, i.e. that a deficit in labour standards in one country leads, because of competition, to similar deficits in other countries and ultimately to the erosion of labour standards in advanced countries themselves. For this purpose, we explore in the first instance in this section, with broad-brush evidence, what has happened to labour standards in the South and the North (more detailed microeconomic research will be presented in the next section). A broader conception of labour standards will be more useful for the purposes of this exercise than simply relying on FACB – the two core standards. This is in part because countries of the North usually have core as well as non-core standards. The second reason is that the generally agreed quantitative measures of core standards, including FACB, are not available for more than a few developing countries¹⁰.

In assessing labour standards and their erosion, we shall therefore use a variety of indicators, including the rate of growth of the economy and of real wages, indicators of structural change, those of social security measures, health and safety, and unionisation, among other variables. Ghose (2003) has argued that labour standards are best measured by the non-wage component of workers' remuneration, for which he regards the growth of real wages to be a good proxy. Be that as it may, the overall picture that emerges from a consideration of these broad aggregate data (only *some* of which is reported in Tables 4-6, on pages 13 and 14) for economies in different regions, is varied and mixed. The following patterns in broad groupings of countries can be identified:

1. Real wages and labour standards generally improved in East Asian countries until the financial crisis of 1997, particularly in Korea, Taiwan, and other fast-growing NICs. This is reflected both in increased real wages, faster structural change from agriculture to manufacturing, faster growth of employment, improvements in health and safety standards. These countries also experienced, before the financial crisis, reduced informal sector employment, as well as a great increase in the democratic rights of citizens¹¹.

The 1997 acute economic and financial crisis in Asia led to a large contraction of GDP, particularly in the affected countries. However, most of these countries have bounced back fairly quickly, and are in the process of returning to their long-term growth paths. It is significant that in countries like Korea, the economic crisis has also led to some improvement in labour standards, but in a new direction: the government instituted welfare state protections for citizens in the wake of the crisis.

The improvements in labour standards in successful East Asian countries, before the financial crisis of 1997 (say between 1980 and 1996), provide good evidence against the strong form of the ‘race to the bottom’ hypothesis. This is all the more significant since East Asia, among all the developing regions, was in much of this period the largest exporter of labour-intensive manufactures to the U.S. economy.

2. Conceived in these broad terms, the data for Latin American countries suggests a fall in labour standards during the last two decades. Tokman (1997) has estimated that 90% of the new jobs created in Latin America between 1987 and 1995 were in the informal sector. This informalisation together with the evidence on the increased casualisation of the workers can be regarded as an erosion of labour standards. However, such erosion is more likely to be due to much reduced overall economic growth in that region, rather than to the mechanism specified in the race-to-the-bottom theory. A decline in the pace of economic growth reduces the creation of good jobs, i.e. with good labour standards, and increases informalisation. It is also connected with the changes in overall economic and political policies in Latin America associated with the Washington Consensus, rather than representing a competitive erosion of labour standards.
3. Labour standards also fell in the 1980s and ‘90s in the U.S. and European Community countries. This is reflected in reduced unionisation, in restrictions on welfare state benefits, on the right to strike, on picketing and so on. As Standing (2003) observes ‘there has been a widespread

de-unionisation, particularly in industrialised market economies. There has also been an erosion of the strength of freedom of association. Some countries have made it harder to organise, to bargain collectively, many have ‘chipped away at bargaining rights, and many have pushed collective bodies such as unions to a more marginal role in social policy.’

Competitive erosion of labour standards could have played a part in this phenomenon. If so, it is more likely to have been competition among advanced countries themselves rather than that between advanced and developing countries. Evidence suggests that broader worldwide ideological, economic and political trends have probably been much more important. Thus, Baldwin (2003) concludes his comprehensive study of the decline of the US unions during the last two decades and its relationship to trade in the following terms:

We find that increased openness to trade with other countries plays only a modest role in US de-unionization. Many workers not employed in trade-related activities have also been adversely affected by the decline in unionization. This decline of unions seems due mainly to fundamental changes in attitudes and institutions associated with increased economic competitiveness throughout the entire economy, including employer opposition and worker disenchantment.

4. Again, as in the case of the weak form of race-to-the-bottom hypothesis, there is also a similar coincidence of timing with its strong form. The erosion of labour standards in industrial countries has occurred at the same time as the large increase in North-South trade in manufactures. However, as explained above, the latter is not the main cause of the former.

Table 4. *Indicators related to the international competitiveness of exporters of manufactures in 26 developing economies*

Country	Labour productivity ⁱ	Unit labour costs ⁱⁱ	Real wages ⁱⁱⁱ
Argentina (1984-1996)	50.5	101.9	73.5
Bolivia (1980-1997)	73.9	66.7	78.7
Brazil (1985-1995)	114.8 ^{iv}	96.3	137.4
Chile	180.4	82.1	148.0
China (1980-1999)	142.3
Colombia	138.2	101.0	136.0
Côte d'Ivoire (1980-1997)	110.2	103.9	107.8
Ecuador (1980-1999)	105.9	36.7	54.0
Egypt (1980-1997)	158.8	42.5	69.3
Ghana (1980-1995)	77.9	81.0	221.5
India	279.9	52.8	145.9
Indonesia (1980-1999)	228.2	81.7	188.0
Kenya (1980-1999)	120.1	61.8	74.1
Malaysia	255.2	84.9	216.5
Mexico (1984-2000)	113.0	90.2	100.7
Morocco (1980-1999)	136.3	60.8	82.9
Nigeria (1980-1996)	183.3	25.3	18.1
Pakistan (1980-1996)	177.1	95.2	181.4
Peru (1980-1996)	140.1 ^v	47.4	36.2
Philippines (1980-1997)	202.6	80.5	163.0
Republic of Korea	459.5	72.1	329.8
Taiwan Province of China (1980-1996)	205.9	121.0	248.6
Thailand (1982-1994)	98.6	140.9	105.9
Turkey	197.0	54.5	107.8
Uruguay (1980-1999)	146.6	68.0	98.5
Venezuela (1980-1998)	136.2	19.2	26.3

Source: UNCTAD, 2003.

Notes: Index numbers for 2000 with 1980 = 100, unless otherwise indicated

- ⁱ Real value added per worker calculated by deflating value added (in United States dollars) per worker by the GDP-deflator.
- ⁱⁱ Ratio of nominal wages in manufacturing (deflated by the consumer price index) to value added in manufacturing (deflated by the GDP-deflator). An index number higher than 100 indicates an increase in the share of labour in the functional distribution of income.
- ⁱⁱⁱ Nominal wage per worker deflated by the consumer price index.
- ^{iv} 1990-1995.
- ^v 1982-1996.

Table 5. *Trends In GDP Growth Selected developing regions and industrialized countries, 1965-2000 (Average Annual Percentage Growth)*

Region/Country	1965-1980	1980-1990	1990-2000
China	6.8	9.3	10.1
India	3.6	5.9	5.4
Middle income economies	6.3	2.3	3.3
Latin America and the Caribbean	6.0	1.1	3.3
Sub-Saharan Africa	4.2	1.7	2.2
South Asia	3.6	5.8	5.2
East Asia and Pacific	7.3	7.4	7.7
High income economies	3.8	3.1	2.5
• United States	2.7	3.2	3.2
• Japan	6.6	4.1	1.4
World	4.1	3.0	2.6

Source: World Bank, World Development Report, various issues.

Table 6. *Structure of Economic Activity*

Region/Country	Value Added As % of GDP		
	Agricultural	Industry	Services
	2000	2000	2000
World	5w	31w	63w
Low Income Countries	23	33	44
Middle Income Countries	11	36	54
Low and Middle Income Countries	13	35	52
East Asia and Pacific	15	46	38
Latin America and the Caribbean	8	31	16
South Asia	27	26	47
Sub-Saharan Africa	15	28	57

Source: World Bank, 2002.

4. Labour Standards: Costs and Benefits to Developing Countries

Turning now to the economics of labour standards from the perspective of developing countries, an important issue is whether the imposition of compulsory core labour standards will affect the international competitiveness of poor countries. Such standards can, in principle, have both negative and positive consequences depending on the country's history, the nature of its labour legislation, the strength of its unions and their propensity to strike. The latter may in turn depend on the institutions the society has evolved for settlement of disputes. In dynamic terms unions may have a positive effect on labour productivity by raising wages and obliging the firm to introduce productivity enhancing technology. This is the model successfully used in Sweden in the post-war period to increase competitiveness, economic growth and social welfare (see Erixon 2002); however, in a developing country context with enormous surplus labour this is unlikely to be helpful. Moreover, it is not difficult to imagine that unions could become totally dysfunctional, engaging in restrictive work practices, discouraging technical progress or engaging in collective bargaining without any wider social concern for the unemployed or those in the informal sector¹².

There is a general dearth of empirical studies on the costs and benefits of labour standards for developing countries. A handful of such studies are available but these do not contain any robust empirical results. A much richer literature on these kinds of issues exists for developed countries. Broadly, a great deal of research indicates that in advanced countries the unions can raise wages typically by up to 20 per cent. For developing countries, the small amount of available research indicates that the union wage premia are normally lower, perhaps in the order of 5-10 percent. However, as IDB (2004) points out these gains are small when compared with the gains associated with experience or education. It observes that few workers would be able to lift their wages beyond poverty relying solely on union activity.

DFID (2003) has recently reviewed evidence on core labour standards and competitiveness. That review indicates that labour costs do increase as a result of the implementation of labour standards, particularly with respect to free collective bargaining. However, these studies find no evidence of a negative relationship between higher labour standards and the foreign direct investment that the country receives. OECD studies (1996, 2000) found no relationship between core labour standards and sectoral trade patterns and export performance. There are other studies (see for example Belser, 2001), which indicate that higher labour standards tend to reduce labour-intensive manufactured exports. Galli and Kucera (2002) examined the effects of core

labour standards on “informalisation” of employment in Latin America to test a hypothesis in Singh and Zammit (2000), but could not find any evidence to confirm or reject it.

Although there are very few economy wide or comparative international studies of the effects of labour standards on economic development, there is considerable research that investigates the micro-level effects of standards on both firms and workers in developing countries [see for example Blowfield (2001); Barrientos (2000); Heeks and Duncombe (2003)]. In general, these indicate both negative and positive outcomes, and suggest that the effect of labour standards in developing countries is likely to be complex, depending on country-specific and industry-specific factors.¹³

To sum up, one important conclusion from the above analysis is that much more empirical work is required on the effects of labour standards on various developmental variables. The second significant conclusion is that, taking into account both the micro-level and macro-level evidence, available research for developing countries suggests that there are likely to be short to medium term costs for implementing core standards; their magnitude and the time period would differ very considerably between countries. For fast growing economies such as those in East Asia, the costs are unlikely to be prohibitive. The fast productivity growth in many of these countries allows them to raise real wages, in principle to improve labour standards and at the same time remain competitive (see Table 4 on page 13).

In the light of this survey of empirical evidence a referee has raised the question, if the costs of implementing core labour standards would not be large for many developing countries, why does the South object to the North’s proposals for multilateral agreement on labour standards? This is a legitimate and important question that will be taken up in section 6.

5. Informal Sector, the Dual Economy and Labour Standards

The question of labour standards for developing countries derives its complexity in large part from the dual structure of these economies. Much of the labour force in the South works in rural areas as wage labourers, tenant farmers, self-employed small holders as well as people who are working in the rural and urban informal sectors. The central issue is how to improve the earnings and conditions of work of these diverse groups of male and female workers, as well as those who are self-employed. For example, 70 percent of the Indian population lives in rural areas and only 7 percent of workers in the small urban

sector are unionised. Table 7 provides some data that illustrates the nature of dual economy typically found in developing countries. The table reports the proportion of workers in different countries who work in small enterprises with 1-4 or 5-9 workers. The data suggests that a very large proportion of workers in developing countries work in such enterprises, the percentages ranging from 35 percent in Jamaica to 52 percent in Colombia, to 77 percent in Indonesia and to 90 percent in Sierra Leone. The proportion of labour force in the U.S. working for enterprises with less than 10 workers was only about 4 percent.

It is inherently difficult for labour standards to be applied to these heterogeneous groups of working people in the informal sector. The representational needs and the nature of collective organisations that would be most useful for these various groups are rather different from those that would be suitable for wage labourers working in big establishments in the modern formal sector. If labour standards are only to be limited to those working in the formal sector, this would amount to giving greater privileges to those who are already privileged. This would tend to increase inequality in the society that surely proponents of labour standards would not wish to promote. In any case such a course can hardly be taken by reasonably democratic governments in these countries who have to live with the social and political consequences of what would be seen as compounded unfairness. What is required in many countries is that labour standards should not be further raised in the privileged modern sector and instead efforts should go into introducing these in appropriate forms in the informal sector. This is a far bigger challenge than persuading Nike to introduce non-sweatshop working conditions in its factories in developing countries.

Singh and Zammit (2000) suggested that in order for the international community to recognise the enormity and importance of this task, ILO conventions on free collective bargaining, and freedom of association should be redrafted to reflect these concerns. The existing texts of these conventions suggest that their main objective is to provide representation and voice for workers in large factories through traditional trade unions, which can freely bargain with employers for wages and working conditions. The conventions appear to assume that trade unions, employers' organisations and other institutional infrastructure for dispute settlement are already in place. The governments therefore do not need to, and should not, intervene in this bargaining process.

Table 7. *Distribution of Employment Shares for Small Enterprises in Developing Countries and the U.S.*

	Number of Workers	
	1 - 4	5 - 9
United States, 1992	1.3	2.6
Mexico, 1993	13.8	4.5
Indonesia, 1986	44.2	
S. Korea, 1973	7.9	
S. Korea, 1988		12
Taiwan, 1986		20
India, 1971	42	
Tanzania, 1967	56	
Ghana, 1970	84	
Kenya, 1969	49	
Sierra Leone, 1974	90	
Indonesia, 1977	77	
Zambia, 1985	83	
Honduras, 1979	68	
Thailand, 1978	58	
Philippines, 1974	66	
Nigeria, 1972	59	
Jamaica, 1978	35	
Colombia, 1973	52	
Korea, 1975	40	

Source: Adapted from Tybout (2000).

For original sources for each country, see Tybout (2000)

Such assumptions cannot be made for many developing countries. Consequently developing country governments are often obliged to intervene in this collective bargaining process for good reasons. These include:

- to make up for the deficiencies of the institutional structure for dispute settlement.
- when there is gross disparity between the bargaining parties, the government may be obliged to intervene so as to help secure an equitable settlement.
- to represent the interest of those in the informal sector who may be affected by the bargains between the employers and employees in the formal sector.
- to promote cooperation between employers, employees and those working in the informal sector for common national good, rather than have adversarial relations between these groups which a developing country can ill-afford.

There are of course also many bad reasons why governments may intervene in free collective bargaining, but we would like to emphasise that there are perfectly good reasons as well for doing so. Therefore, in addition to calling specific attention to the informal sector and agricultural workers in the proposed revisions to conventions 87 and 98, these revised conventions should also recognise that in the developing country context, there is a positive role for the government in order to carry out the tasks listed above.

Colleagues at the ILO have suggested that it is not necessary to revise conventions 87 and 98 in order to create organisations of different kinds to meet the representational needs of farmers and other informal sector workers. This is a plausible argument but we would suggest that our proposal has the virtue of highlighting for the international community the difficulties faced by these excluded groups in the implementation of labour standards. Our proposal is also useful in emphasising the critical role of the government in helping in various ways in carrying out these developmental tasks. We have no doubt that explicit attention to these issues in the texts of the respective conventions would lead to rather different kinds of annual or biannual reports on labour standards from the ILO's Director General than now. These would better reflect the progress being made with implementing labour standards for all the working people in the world rather than just the small proportion in the formal sector.

6. Poverty, Core Labour Standards and the WTO

At its Millennium meeting, the UN General Assembly agreed to make poverty reduction as a major priority for nations and people of the world. Freedom from hunger and poverty, and the right to decent living would be regarded by many people as much a fundamental human right as those embodied in the ILO's core conventions, including the rights to freedom of association and free collective bargaining.

At an operational level, the international community and developing countries give signal importance to reducing poverty (see for example DFID, 2003). This fact and its implications are not recognised in the ILO's conventions on core labour standards. From a developing country's perspective, the core should be broadened to include a new convention that provides protection against hunger and poverty and gives everyone the right to a decent livelihood.

Things would be easy if it were the case that promoting core labour standards was synonymous with reducing poverty. However, it is far from certain that the encouragement of these standards in the formal sector in developing countries reduces poverty at all, let alone being the best way of doing so. Indeed, under plausible assumptions, the promotion of labour standards in the small formal sector can lead to reduced employment in this sector and even greater burden on the informal sector, reducing wages (and increasing poverty) in that sector.

Previous analysis suggests that one important way of reconciling poverty reduction with pursuit of core labour standards, as presently specified, is through the agency of faster and "high quality" economic growth. There is a robust relationship between growth and poverty reduction. However, in addition to growth, poverty is also affected by other variables; notably inflation, inequality of income and asset distribution, instability of economic growth and government fiscal policies. Further, economic growth does not automatically trickle down to those who need it most and hence government interventions are required to ensure that economic growth reduces poverty most effectively.¹⁴ Similarly, as noted in Section 3, if the growth is fast enough it would also promote labour standards both directly through structural change and indirectly by reducing the costs of adjustment to the standards.

It may be useful at this point to consider the referee's question raised at the end of section 4; the question is important and answering it would also help to clarify our perspective on the subject. In the light of the empirical conclusions of section 3 and 4 and the analysis presented so far, developing countries would have several objections to a multilateral agreement on labour standards under

WTO, such as that preferred by advanced countries. Some of these misgivings have been put forward in previous sections but may be stated explicitly in this context as follows:

1. The implementation of core labour standards under the present institutional arrangements would mean, for many developing countries, such standards being available only to the formal sector. It will essentially exclude the vast majority of working people who are in the informal sector.
2. Instead of promoting cohesion and leading to a more equitable distribution of the fruits of economic progress, as claimed by proponents of labour standards, their implementation would, as indicated in section 5, do the opposite.
3. The huge heterogeneity in the levels of economic development and the economic circumstances of developing countries, would mean that there will be many countries for whom there could be sizeable costs of adjustment to standards which they cannot afford; it may also take them a long time to acquire the domestic institutions required, for example, for a workable trade union culture.
4. There is also the important question of minimum wage. Although it is not included in the ILO's core labour standards, it figures prominently (as indicated earlier) in all new U.S. bilateral trade treaties with developing countries. It is only a matter of time before it is introduced fully into the multilateral fora. Depending on the level at which the minimum wage is set, such an evolution of labour standards in the medium-term cannot be ruled out; it would have significant implications for the comparative advantage of low wage, low labour standards developing countries.
5. Developing countries have particular reservations about the WTO's Dispute Settlements Mechanism, which gives the organisation its 'teeth', i.e. ability to punish the offenders. However, this mechanism is regarded as unfair to developing countries because of the inherent asymmetries in its procedures. It is much easier, for example, for a developed country to impose sanctions on a poor small country than the other way round (UNDP, 2003).
6. Developing countries regard compulsory labour standards as a part and parcel of the increasing burdensome conditionality from international

financial organisations to which they have been subject. They need policy autonomy instead of another layer of conditionality (Singh, 2002).

7. Developing countries note that despite the strong affirmation in the ‘race-to-the-bottom’ argument in the eighty-year-old ILO constitution (see section 1), and at a time when essentially only advanced countries were members, the organisation took a deliberate decision not to impose sanctions on the offenders but rather to persuade them. That is the reason why developing countries believe that the ILO and its constructive approach to the pursuit of labour standards, in cooperation with developing countries and their tripartite constituencies, is the best way to proceed.
8. Developing countries and other critics also suggest that punishing the offenders would mean in practice sanctions against the guilty country’s exporting firms that, most likely, already have relatively high labour standards. Further, it would do nothing for those who need them most in the informal sector.

The bottom line is that developing countries regard poverty reduction as the chief priority rather than the core labour standards. The challenge lies in combining the two. This would involve, for example, a change in the focus of anti-sweatshop and corporate social responsibility movements in the US and other advanced countries towards poverty reduction and the informal sector. In addition, the US trade unions can help in the positive task of providing research capacity, technical assistance and training for introducing appropriate labour standards in the informal sector in developing countries, so that they are compatible with poverty reduction¹⁵.

Finally, it may be useful to take up the question of the Export Processing Zones (EPZs) in relation to labour standards. Many commentators in advanced countries have regarded these zones as sources of “social dumping”, where labour laws are not enforced in order to attract FDI. However, research by ILO and independent scholars suggest that there is no substance at all to the charge of social dumping. Evidence suggests that export-oriented firms, particularly those in EPZs pay better wages and have much superior working conditions than firms producing similar products for domestic markets. It is also found that the vast majority of the EPZs are covered by the national labour laws of their countries (Ghose, 2003; Moran, 2002; ILO, 1998; Oxfam, 2002).

7. Towards North South Solidarity

Since the demise of the Golden Age, labour in much of the world has been in retreat. In the North, as noted in section 3, there has been a significant erosion of core and non-core labour standards. Similarly, over this period, poverty, informalisation and casualisation of work have in general greatly increased in developing countries except for some countries in Asia.

Glyn et al (1990) and Singh (1995, 1997) have argued that liberalisation and globalisation of world economy represents a new model of economic development compared with that of the Golden Age. It is characterised by market supremacy and intensified competition in all markets. The model has been working now for almost two decades in the North and for more than a decade in the South. Its overall results in terms of economic well-being have not been good either for workers in the North or for labour in Latin America and Sub-Saharan Africa. Asian countries, particularly China and India, have been more successful, arguably because the governments in these countries have not liberalised either the trade regimes or capital account regimes as fully as, for example, the Latin American countries. Moreover, the Asian governments have continued to back their respective accumulation regimes and the institutions that support them (see further UNCTAD (2003)).

Table 5 (on page 14) indicates that the overall world economic performance has deteriorated in the 1980s and 90s compared with the pre-1980s period. This is surprising from the perspective of the neo-liberal model that underpins liberalisation and globalisation, since the world economy is much more competitive now, labour markets are more flexible and there is far greater mobility of capital than before. Moreover, we now have the revolutionary new technology of ICT with a huge potential not only for spawning new industries, but also for raising productivity in the existing ones. All of this, in orthodox terms, should have raised world economic growth, but instead we see a decline.

Elliott and Freeman (2003) suggest that there is a close symbiotic relationship between globalisation and labour standards, with each complementing the other in a virtuous circle. We have difficulties with this conception as it seems to us that, under current globalisation, where there is freely mobile capital, labour is at a serious disadvantage. Further, when the overall outcome (as seen above) is slow economic growth, it creates further difficulties for labour because competition becomes much more intense and leads to conflicts of interests between workers, particularly those in rich and poor countries.

Labour, North and South, to protect itself must propose radical changes in current globalisation and should have a program of its own which would benefit workers in both regions. A model of alternative globalisation has been presented in Singh (1999, 2000) and Singh and Zammit (2000). Unlike current globalisation that is divisive, the alternative model indicates how the interests of the workers of the North and the South can be aligned. The alternative path is essentially one of an international Keynesian regime of managed world trade¹⁶ and controlled international capital movements¹⁷ with measures to increase worldwide demand for labour. The national and international institutions required to provide the basis for such a regime are, not surprisingly, rather different from those underpinning the current globalisation project. The alternative model, it is suggested, would not only bring closer North-South co-operation, but also lead to full employment of the world's resources and to a faster rate of economic growth, thereby reducing poverty and helping promote labour standards in both the North and the South. The main elements, the feasibility and the desirability of such a policy programme are examined in some detail in the research cited above.

8. Summary and Conclusion

In view of the complexity of its subject matter, this paper has been wide-ranging in scope. Some of its main points are summarised below:

- In the first part, the paper has concentrated on the important question of the race-to-the-bottom, which, it is suggested, results from the lack of labour standards, particularly the core standards of FACB in developing countries. Two versions of this theory are examined: a weaker version which suggests that the labour market deficits of the North's labour are mainly due to low wages and low labour standards in the South. In its strong form, the hypothesis asserts that the absence of labour standards in the South leads, through competition, to erosion of these standards everywhere, including in Northern countries. This paper has found very little evidence to support either form of the race-to-the-bottom hypothesis. This is not to say that these could not become more important in the future.
- The second part of the paper examined the analogous question for developing countries: how would their competitiveness be affected by adoption of the core labour standards of FACB? There is not sufficient research to provide firm guidance on this issue, but generally, the totality

of available studies suggests that these costs would not be very large and for fast-growing developing countries they are easily overcome.

- Labour standards are particularly difficult to achieve in the informal sector, both urban and rural, and in agriculture. In these cases, the representational needs as well as the organisational methods are quite different to those used in the urban formal sector. This is one of the main reasons why progress in the achievement of labour standards in many parts of the Third World has been slow.
- Despite all the difficulties of establishing labour standards in the informal sector, it is a task from which there is no escape. Extending the standards to just the formal sector would be highly iniquitous, and would not therefore be politically acceptable. In order to highlight these difficulties, and to get an accurate picture of the progress of labour standards in a developing country economy, the paper suggests that ILO conventions 87 and 98 should be suitably amended to reflect these concerns. Similarly, the conventions should recognise the positive role that governments can play in a number of ways in helping to obtain representation and redress for working people in the informal sector.
- It is argued here that the ILO's core conventions are too restrictive. The core should be broadened to include freedom from hunger and poverty and the right to decent living as a new convention to reflect this primary concern of developing countries and the international community.
- It is suggested here that labour standards are important indicators of economic development, but their promotion is best achieved in a non-coercive and supportive international environment, such as that provided by the ILO. The analysis presented here indicates that compulsory labour standards would be non-optimal both for advanced and developing countries. They would neither achieve their stated purpose or even the protectionist agenda of certain interests in advanced countries. In view of recent history of the North-South interactions on this subject, the paper suggests, it will not be helpful to involve the WTO with its punitive powers (via the Dispute Settlement Mechanism) in this area.
- The paper argues that the current globalisation regime based in part on free capital movements is inimical to the interests of labour both in the North and South. It briefly presents the contours of an alternative globalisation that would both help reduce poverty in developing countries and promote labour standards in advanced, as well as developing

countries. It would do so by making possible fast and high quality economic growth, underpinned by appropriate government fiscal and other interventions in domestic economy and rather different rules of the game for the international economy from those under current globalisation.

Finally, let me quote Professor Srinivasan (2003), who has recently observed,

“Let me conclude by saying that the crux of the debate is not whether...freedom of association and other dimensions of core labour standards are desirable objectives...The debate is about the desirability of using trade sanctions for enforcing them. On this the answer is very clear to most economists. It is emphatically that it is not.”

We have reached the same conclusion as Professor Srinivasan, but on the basis of a rather different line of reasoning.

Notes

- ¹ For a fuller discussion of the historical evolution of the north-south controversy on labour standards in relation to trade, at various fora including the WTO and ILO, see Singh and Zammit (2000), Annex 1; Elliot and Freeman (2003) and CUTS (forthcoming).
- ² This was subsequently amplified by the Convention Concerning the Elimination of the Worst Forms of Child Labour, (Convention No. 182).
- ³ Quoted in Elliott and Freeman (2003), p.4.
- ⁴ An important criticism by Srinivasan (2003) of much of the literature, both theoretical and empirical, on this subject is its neglect of economic growth.
- ⁵ There is a large literature on child labour. For a recent review see Brown, Deardorff and Stern (2003). The other core conventions on the abolition of forced labour and non-discrimination are not a matter for contention and are generally accepted by the international community.
- ⁶ For an insightful recent review of the large theoretical literature on these moral and philosophical questions, see N. Singh (2003).
- ⁷ For a critical analysis of the absolutist position see Fields (1995).
- ⁸ See Winters (2003) for a critique of Staiger's position.
- ⁹ There is a huge literature on each of the three aspects of the subject referred to in the text. For recent reviews on the various aspects, see Slaughter and Swagel, 1997; Blanchflower and Slaughter, 1999; Rowthorn and Ramaswamy, 1997; Atkinson, 1999; Feenstra, 2000, Howes and Singh, 2000 and Singh, 2003.
- ¹⁰ For an insightful discussion of these important measurement issues, see Elliott and Freeman, 2003, Chapter 2.

- ¹¹ In this context, the following analysis of Hort and Kuhnle (2000) is also pertinent: “Summing up, it seems that East and South-east Asian countries have introduced social security legislation in the same general sequence as was followed by the European pioneers, and that social security has been introduced earlier in ‘developmental time’ than in Europe. Rapid and strong economic growth has in general been accompanied by state action for welfare institutions and programmes, and it seems that democratisation - exemplified by developments in Korea, Taiwan and Thailand during the 1990s - leads to greater political efforts to promote welfare state development.” See Cho et. al. (2004) for a somewhat different perspective on Korea and for the analysis of the position of women workers in that country.
- ¹² A number of international organisations and scholars believe that Indian trade unions are reaching that state quite rapidly, if they are not already there. India has one of the most advanced labour legislations in the world, but unfortunately it is obeyed only in the public sector. The private formal sector by and large ignores the laws, as implementation is very poor. The vast informal sector, with its small family enterprises, lies by and large outside its purview. See further DFID (2003), Besley and Burgess (2002), and World Bank (2002).
- ¹³ I am grateful to one of the referees of the paper for this point.
- ¹⁴ For a fuller analysis of these issues see Singh, 2000 and the literature referred to therein. See also Sutcliffe (forthcoming).
- ¹⁵ Labour Standards also figure in the UN global compacts with multi-national corporations. These compacts also need to consider the rural informal sector and poverty reduction in relation to codes on labour standards. See further Zammit, 2003.
- ¹⁶ Lest “managed trade” may be regarded as suggesting either autarchy or solving a complex and vast planning problem, what is being proposed here is a much more modest measure, such as permitting developing countries to impose import restrictions for balance-of-payments reasons. This was allowed under GATT, but has effectively become impossible under the WTO. See Singh, 2003a.

17

As in the case of trade in the previous endnote, all that is being suggested in relation to capital movements is that developing countries should not be obliged to accept financial globalisation if they do not wish to – they should be able to impose capital controls. Unfortunately, however, the new bilateral “free trade” treaties the US is doing with individual developing countries usually contain a clause that denies the partner country any right to impose capital controls, particularly against US capital. See further Bhagwati, 2003.

References

- Atkinson, A.B. (1999). Is Rising Inequality Inevitable? A Critique of the Transatlantic Consensus, WIDER Annual Lectures 3. World Institute for Development Economic Research, the United Nations University.
- Bhagwati, J. (2003). *Testimony: Subcommittee on Domestic and International Monetary Policy, Trade and Technology*. U.S. House of Representatives Committee on Financial Services.
- Baldwin, R.E. (2003). *The Decline of US Labour Unions and the Role of Trade*. Institute for International Economics, Washington D.C.
- Barrientos, S (2000). *Globalisation and Ethical Trade: Assessing the implications for Development*. Journal of International Development, Vol. 12 pp. 559-570.
- Basu, K., H. Horn, L. Roman, and J. Shapiro (2003). *International Labour Standards, History, Theory and Policy Options*. (eds.), Blackwell Publishing.
- Belser, P. (2001). *Four Essays on Trade and Labour Standards*. Doctoral Thesis, Institute of Development Studies at the University of Sussex.
- Besley, T., and R. Burgess (2002). Can Labour Regulation Hinder economic performance? Evidence from India. Discussion paper series, No. 3260. Public Policy. Centre for Economic Policy Research.
www.cepr.org/pubs/dps/DP3260.asp
- Blanchflower, D.G., and M.J. Slaughter (1999). The Causes and Consequences of Changing Income Inequality. In Fishlow, A. and Parker, K. (eds) *Growing Apart: The Causes and Consequences of Global Wage Inequality*, Council on Foreign Relation Press, Washington DC.
- Blowfield, M (2001). *Too many codes of practice: Towards cohesion and sustainability in ethical trade*.
<http://www.id21.org/society/s8amb1g1.html>
- Brown, D.K., A.V. Deardorff, and R.M.Stern. (2003). *Child Labor: Theory, Evidence and Policy*. Chapter 3 International Labour Standards, History, Theory and Policy Options. (eds. Kaushik, B., H. Horn, L. Roman, and J. Shapiro), Blackwell Publishing. pp195-269
- CUTS (2003). *Trade and Labour Standards*, Chapter One. Centre for International Trade, Economics and Environment, Jaipur, India.
- DFID (2003). Labour Standards and Poverty Reduction. Department for International Development. September 2003. Version 2.
- Elliott, K.A., and R.B. Freeman (2003). *Can Labour Standards Improve under Globalization?* Institute for International Economics. Washington DC. June 2003.

- Erixon, L. (2002). *A 'Third Way' in Economic Policy*. International Papers in Political Economy, Vol. 9, No. 2.
- Fields, G. (1995). *International Labour Standards: A Review of the Issues*. OECD
- Galli, R., and D. Kucera. (2003). *Labour Standards and Informal Employment in Latin America*. International Institute for Labour Studies, Discussion Paper 1.
- Ghose, A.K. (2003). *Jobs and Incomes in a Globalizing World*. International Labour Office, Geneva.
- Ghosh, J and C.P Chandrasekhar (2003). *Work and Well-being in the Age of Finance*. Proceedings of the international conference on “Globalisation, Structural Change and Income Distribution”, Muttukadu, Chennai, India, December 2000. Tulika Books, New Delhi, India.
- Glyn, A., A. Hughes, A Lipietz, and A. Singh. (1990). The rise and fall of the Golden Age. In S. Marglin and H. Schor. *The Golden Age of Capitalism*. Clarendon Press, Oxford.
- Heeks, R and R. Duncombe (2003). *Ethical Trade: Issues in the Regulation of Global Supply Chains*. <http://idpm.man.ac.uk/crc/wpa15099/wp53.pdf>
- Hort, S. and S. Kuhnle (2000). *The Coming of East and South-east Asian Welfare States*. Journal of European Social Policy, Vol. 10, No. 2.
- Humphries, J (2003). The Parallels between the Past and the Present. *Commentary 1.1*. Engerman, Stanley, L. The History and Political Economy of International Labor Standards. Chapter 2. *International Labour Standards, History, Theory and Policy Options*. (eds. Kaushik, B., H. Horn, L. Roman, and J. Shapiro), Blackwell Publishing. pp 84-95.
- IDB (2004). 2004 Economic and Social Progress Report: Good Jobs Wanted. Labour Markets in Latin America.
- ILO (1998). World Employment Report, 1998/99: Employability in the Global Economy – How Training Matters. International Labour Office, Geneva.
- Kabeer, N (2004). *Globalisation, Labour Standards, and Women's Rights: Dilemmas of Collective (In)Action in an Interdependent World*. Feminist Economics, forthcoming.
- Moran (2002). *Beyond Sweatshops: Foreign Direct Investment and Globalisation in Developing Countries*. Washington: Brookings Institution Press
- OECD (1996). *Trade, employment and labour standards: A study of core workers' rights and international trade*. Paris
- OECD (2000). *International Trade and Core Labour Standards*. Paris
- Oxfam (2002). *Rigged rules and double standards: Trade, globalisation and the fight against poverty*. London

- Palley, T.A. (2003). *After Cancun: Possibilities for a New North – South Grand Bargain on Trade*. Policy Discussion Paper, Open Society Institute, Washington D.C.
- Robinson, M (2000). *Universality and Priorities, UNDP Human Development Report*, Oxford
- Rowthorn & Ramaswamy (1997) *Growth, trade and deindustrialisation*, IMF Working Paper WP/97/42, IMF Washington D.C.
- Singh, A., and A. Zammit (2000) *The Global Labour Standards Controversy: Critical issues for Developing Countries*. South Centre.
- Singh, A. (2003). *Income Inequality in Advanced Economies: A Critical Examination of Trade and Technology Theories and an Alternative Perspective*. In Ghosh, and Chandrasekhar, 2003.
- Singh, A. (2003a). *Special and Differential Treatment, the Multilateral Trading System and Economic Development in the 21st Century*. ICSTD, http://www.ictsd.org/dlogue/2003-05-06/Singh_S&DT_final.pdf
- Singh, A. (2002). *Aid, Conditionality and Development*. *Development and Change*, Vol. 33, No. 2.
- Singh, A. (2000). *Global Economic Trends and Social Development*. United Nations Research Institute for Social Development, Geneva.
- Singh, A (1999). *Global unemployment, growth and labour market rigidities: a commentary*. In *Perspectives on Globalisation and Employment*, United Nations Development Programme, Discussion Paper Series.
- Singh, A. (1997). *Liberalisation and Globalisation: An Unhealthy Euphoric*. In *Employment and Economic Performance*, ed. J. Michie and J. Grieve-Smith. Oxford University Press. Oxford.
- Singh, A. (1995). *Institutional Requirements for Full Employment in Advanced Economies*. *International Labour Review*. 134 (4-5), 471-96.
- Singh, A. and Nirvikar (2003). *The Impact of International Labor Standards: A survey of Economic Theory*, Chapter 2. *International Labour Standards, History, Theory and Policy Options*. (eds. Kaushik, B., H. Horn, L. Roman, and J. Shapiro), Blackwell Publishing. 2003. pp 105-181.
- Slaughter M.J and Swagel P (1997). *Does Globalisation Lower wages and Export Jobs?* *Economic Issues* 11, International Monetary Fund, Washington D.C.
- Srinivasan, T.N (2003). *Commentary 2.1*. on Singh, Nirvikar. *The Impact of International Labour Standards: A Survey of Economic Theory*. Chapter 2 *International Labour Standards, History, Theory and Policy Options*. (eds. Kaushik, B., H. Horn, L. Roman, and J. Shapiro), Blackwell Publishing. pp 182-186.

- Staiger, Robert W (2003). A role for the WTO, Chapter 4 *International Labour Standards, History, Theory and Policy Options*. (eds. Kaushik, B., H. Horn, L. Roman, and J. Shapiro), Blackwell Publishing. 2003. pp273-308.
- Standing, G (2003). *Human Security and Social Protection*. In Ghosh and Chandrasekhar, 2003.
- Sutcliffe, Bob, 'World Distribution of Income', forthcoming in Oxford Review of Economic Policy, volume 20, Spring 2004.
- Tokman, V (1997). *Jobs and Solidarity: Challenges for the Post-Adjustment in Latin America*. In L. Emmerij (ed), Economic and Social Development into the XXI Century, Inter-American Development Bank, Washington DC.
- Tybout, J. (2000). *Manufacturing Firms in Developing Countries: How Well Do They Do, and Why?* Journal of Economic Literature, vol.XXXVIII, March pp 11-44.
- UNCTAD (2003). Trade and Development Report, Geneva.
- UNCTAD (2000). World Investment Report, Geneva.
- UNCTAD (1999). Trade and Development Report, Geneva.
- UNDP (2003). *Making Global Trade Work for People*. Earthscan Publications, London and Virginia.
- Winters, A (2003). *Commentary 4.1*. on Staiger, Robert W. A role for the WTO, Chapter 4 International Labour Standards, History, Theory and Policy Options. (eds. Kaushik, B., H. Horn, L. Roman, and J. Shapiro), Blackwell Publishing. 2003. pp309-313.
- World Bank (2002). *World Development Report: Building Institutions for Markets*, World Bank and Oxford University Press.
- Cho, H., J. A. Zammit, J. Chung and I. Kang (2004). *Korea Industrialization and Crisis: What was in it for a woman?* "Korea's Miracle and Crisis: What Was In It For Women?" in Globalisation, Export-Oriented Employment and Social Policy: Gendered Connections, Pearson, R., Razavi, S., and Danloy, C. (eds.), Palgrave Macmillan, forthcoming.
- Zammit, J.A. (2003). *Development at Risk: Rethinking UN-Business Partnerships*. South Centre and UNRIST, Geneva.