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Globalization and Labor Conditions: Working Conditions and Worker Rights in a Global Economy

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munity colleges to improve the lot of immigrant students and to be more responsive to their local communities' labor markets.

This book provides both a clear discussion of community colleges' mission and a penetrating analysis of the ways in which several factors—most notably, ethnic composition and the number of campuses per district—can affect their ability to fulfill that mission. It is well worth reading for anyone who wishes to understand the challenges facing these vitally important educational institutions.

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International and Comparative

Globalization and Labor Conditions: Working Conditions and Worker Rights in a Global Economy. By Robert Flanagan. New York: Oxford University Press, 2006. 272 pp. ISBN 0-19-530600-7, \$45.00 (cloth).

Robert Flanagan states that this book is concerned with “how the three main mechanisms of globalization—trade, international migration, and international capital flows—alter working conditions and labor rights,” and with “the role of national and international labor policies in improving labor conditions around the world” (p. 7).

Chapter 2 deals with such questions as whether labor conditions have improved over time and whether there has been a convergence of labor conditions around the world. Chapter 3 discusses specifically how economic growth influences labor conditions, as well as why some labor conditions are more responsive to economic growth than others and differ across countries at similar levels of development. Chapter 4 goes into more detail on whether free trade degrades labor conditions in industrialized or developing countries and whether poor labor conditions enhance export performance. Chapter 5 raises the very important issue of how international migration influences labor conditions in sending and receiving countries. Chapter 6 discusses international capital flows in terms of the operations of multinational companies. It explores whether multinational companies degrade local labor conditions and whether countries with poor labor conditions attract more foreign direct investment. The issue of voluntary codes of conduct to improve labor

practices of multinational companies is also raised.

The last section of the book deals with national and international policies. Chapter 7 examines whether national and international regulation of labor standards improves labor conditions and also whether incentives are superior to regulations for inducing changes in labor conditions. In Chapter 8 the author summarizes the book, draws conclusions, and discusses implications for future work on labor conditions.

The book contains a wealth of information, and Flanagan can be congratulated for constructing an extended database for the analysis presented in the book, one that can be of great value to all those interested in issues related to globalization and labor. There are also some excellent discussions. For example, in Chapter 5, “International Migration and Labor Conditions,” Flanagan balances a discussion of how migration can benefit receiving and sending countries with strong criticism of the way migration is currently managed; specifically, recognizing that migration is part of a growing global labor market, he deplores (quite rightly, in my opinion) the absence of international will to implement initiatives and solutions at the global level rather than through a myriad of bilateral agreements (p. 117).

Also well argued is the discussion of international labor regulation (Chap. 7, pp. 160–70). Flanagan posits the interesting thesis that each country tends to be willing to ratify just those international labor conventions that harmonize with or can be easily adapted to its own institutions. He disagrees, therefore, with the argument that a system of international labor standards stimulates or forces countries to go further than they otherwise would. I myself would not have drawn such an extreme conclusion, as one observes that indirect systems of peer pressure, which are not always measurable, do help; but Flanagan's case is well presented and may spur some interesting classroom discussions.

In his treatment of the theory of comparative advantage (p. 59), Flanagan cites the Stolper-Samuelson theorem (developed in 1941 by Wolfgang Stolper and Paul Samuelson, and still frequently invoked by authors in the basic economics literature) to argue that international trade brings benefits at the national level. He fails, however, to take into account Samuelson's much later qualifying conclusion that the new net gains created for some actors by dynamic comparative advantage do not always exceed the new net losses other participants incur. (“When Ricardo and Mill Rebut and Confirm Arguments of Mainstream Economists Supporting Globalization,” *Journal of Economic Perspectives*, Summer 2004, p. 135.)

Most of the book's polemics and argument are directed at opponents of globalization, and Flanagan does not help his case by sometimes depicting these skeptics as self-interested do-gooders who do not understand Economics 101. His chief modus operandi is to set up and demolish articles from the popular press, such as those arguing for import restrictions and for taming multinational enterprises (pp. 4–5). Nowhere in the text does he cite or take issue with those economists who would agree with some of his findings but view the current form of globalization as inadequate and believe another form is needed. The work of Joseph Stiglitz, for example (*Globalization and its Discontents*, and sequels), is not cited or treated; nor is the insightful work of Richard Freeman (except for a joint piece with Kimberly Elliot), who, although he has argued that there is no evidence of a race to the bottom, still holds a perspective on the current process of globalization quite different from Flanagan's (see, for example, "Trade Wars: The Exaggerated Impact of Trade in Economic Debate," NBER Working Paper No. W10000, September 2003).

Furthermore, only in one instance (p. 111) does Flanagan refer to the report of The World Commission on the Social Dimension of Globalization, *A Fair Globalization: Creating Opportunities for All* (2004). In that one mention, he argues (rightly) that the Commission's recommendations on international migration are weak; but why does he not discuss any of the report's other analyses and recommendations, some of which coincide with his own?

Flanagan seems to be so obsessed with rebutting opponents of globalization that when he has to accept any of their assertions, he cannot do so with good grace. He dilutes his acknowledgment of the increase in inequality, for example, with an argument that is strained at best: because inequality in *health and education* has not increased so very much, one should not make too much of growing *income* inequality (p. 12).

His preoccupation with opponents of globalization results also in an incomplete discussion of the effects of international capital flows on working conditions. For example, the impact of the international financial system on labor is gaining more attention in the literature, but Flanagan reduces the analysis of international capital flows' effects on working conditions mainly to the operation of multinational enterprises (Chap. 6). He argues that multinational enterprises can contribute to development in the receiving country and that, in general, such enterprises do not engage in a race to the bottom. Thus, he interprets (p. 136) David Kucera's finding that low labor standards are

not necessary to attract foreign direct investment ("Core Labour Standards and FDI," *International Labour Review*, 2002) as corroboration that no race to the bottom is taking place, but passes over Kucera's further observation that this is an argument for improving labor standards, since such improvements can be made without constraining investment decisions.

Given Flanagan's generally Panglossian view of the current situation, a corollary of which is that in many instances business as usual is the right course, it is little wonder that the concluding chapter, "Policies and Policy Principles," almost runs out of steam in suggesting a way forward. Readers must largely content themselves with a repetition of Chapter 7's discussion of international labor standards, together with a few suggestions for targeted incentive policies to discourage child labor and forced labor.

The book's last sentence reads, "At the beginning of the twenty first century, the challenge is to devise a focus on the policies that expand opportunities and to resist seduction by punitive policies that limit the opportunities of those whose labor conditions cry out for improvement" (p. 189). I have no doubt that developing-country colleagues opposed to the current incarnation of globalization would agree with that statement.

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European Unions: Labor's Quest for a Transnational Democracy. By Roland Erne. Ithaca, N.Y.: ILR Press (an imprint of Cornell University Press), 2008. 260 pp. ISBN 978-0-8014-4648-1, \$29.95 (cloth).

For decades, the process of European integration chugged along without attracting much interest from most Europeans. Treaties were concluded in intergovernmental summits while the EU's political institutions in Brussels, Luxembourg, and Strasbourg drew attention only from specialists. But the days of tacit support for (or even disinterest in) the European project are over. Since the early 1990s, signs of discontent have been hard to ignore: tens of thousands of protesters have turned out to protest biannual summit meetings of the European Council, which brings together high government officials from the EU member states; and on multiple occasions voters have rejected EU treaties in national ref-