

Introduction

*Kaushik Basu, Henrik Horn,
Lisa Román, and Judith Shapiro*

The call for "international labor standards" has been one of the more controversial proposals in contemporary global policy debates. These proposals have varied greatly in their intended coverage. Often they build on some notion of "core labor standards," which include the prohibition of forced labor, the prohibition of discrimination in employment, the right to freedom of association, the right to bargain collectively, and the prohibition of exploitative child labor. But these proposals often also include more ambitious goals.

Few would dispute the need for at least some government legislation in the area of labor standards. Indeed, virtually all civil societies have legislated to assure workers certain minimal rights and to prevent or dissuade certain kinds of activities, such as ones involving exposure to excessive hazards or ones involving child labor. But though at an abstract level all would agree that these are aims that should be upheld, debate and controversy become the rule as soon as we get into specifics. What constitutes "forced" labor? When can child work be described as "exploitative?" How should these standards be assured? What each society considers to be a minimal standard, to be upheld by the state, also in practice varies a great deal. In addition, in poor countries, even agreed-upon standards are poorly enforced.

The controversial aspect of the proposals for international labor standards is largely the idea that they should be *internationally* agreed and enforced. In practice, this is likely to imply that poorer countries will be induced to set higher standards than what they would have chosen unilaterally, and presumably also that there would be some type of sanctions, should they violate these standards. Such an outcome can obviously be given very different interpretations. On the one hand, it is often argued that it would help the poorer countries out of a "Prisoners' Dilemma" type of situation, where

the competition among poor countries for export markets leads to too low standards, and where there is need for some external help in breaking out of an undesirable situation.

Pitted against this view, however, are those who argue that these proposals will actually hurt the poor. In addition, it is argued that not only will such standards hurt poor countries if implemented, but that the proposals are partly intended to serve protectionist interests in import-competing sectors in developed countries, at the expense of these societies at large. According to this view, it has been easy for two sets of people, to share the same platform, to appear behind the same banner of concern and genuine commitment, but with very different agendas – one group concerned about the condition of workers the world over, and the other inspired by its perception of its own, narrow self-interest.

Recognizing that the debate had reached an unproductive impasse, this book grew out of a project, which sought, above all, to move the debate forward. To do this we had first to acknowledge the fact that the issues at stake are complicated, not only in their political aspects, but also from an economist's point of view – interventions made with the best of intentions may have desirable effects, but may also harm those they were meant to protect. Given the importance of the issues at stake, any policy decisions should be based on a thorough understanding of their likely effects. The purpose of this book is to contribute to such an understanding, by addressing four central questions:

1. What can we learn from economic history? – How did the labor standards movement evolve in the past, both domestically and internationally?
2. What do contemporary economic theories tell us about the possible impact of international labor standards?
3. So much has been written about child labor – but what solid empirical evidence do economists have about its incidence, causes, and effects?
4. Finally, what kinds of global institutions do we have, or need, to enforce any agreement on labor standards? In particular, what should be the role of the ILO and the WTO?

This book seeks to answer these questions by putting together between the covers of a single book what the best research in these areas can offer us. In each of the four main parts of the book (each one devoted to the four questions just laid out above), the first chapter is the main paper that was commissioned on the subject, and the two following papers are the comments of the two conference discussants, inspired by the main paper.

The history of labor standards is developed by Stanley Engerman of Rochester University, and commented on by Jane Humphries of All Souls College, Oxford University, and Karl-Ove Moene and Michael Wallerstein

of the University of Oslo. Theories of international labor standards are presented by Nirvikar Singh, University of California, Santa Cruz. Comments are made by T. N. Srinivasan, Yale University and Tore Ellingsen, Stockholm School of Economics. An account of child labor issues is given by Drusilla Brown, Tufts University, and Alan Deardorff and Robert Stern of Michigan University. Alan Krueger, Princeton University, and Luis-Felipe López-Calva, of El Colegio de Mexico, discuss this aspect of labor standards. Finally, a proposal for a way to handle the international organization and enforcement of labor standards is given by Robert Staiger, University of Wisconsin. This contribution is discussed by Alan Winters, University of Sussex, and Petros Mavroidis, University of Neuchatel.

The book has grown out of a conference that we organized in Stockholm on August 23 and 24, 2001. The conference was sponsored by the Ministry for Foreign Affairs, Government of Sweden, and organized under the auspices of the Expert Group on Development Issues (EGDI), a government-funded but independent group of international experts with the mandate to initiate projects of relevance to the development debate. Our first thanks go to Gun-Britt Andersson, State Secretary, Ministry for Foreign Affairs, and Chairperson of the EGDI, for her keen interest in the project, deep intellectual commitment to the subject, and the good sense to leave it to us, as editors, to decide what to include and how to deal with the subject matter. Those hoping to learn about the official position of the Swedish Government on this sensitive subject will have to look elsewhere. The EGDI was conceived of and founded by Mats Karlsson, then State Secretary at the Ministry for Foreign Affairs. Though he was not involved by the time the International Labor Standards project was started, we want to record our appreciation of Mats' effort and commitment to policy-significant research, which led to the setting up of the EGDI.

In organizing the conference, we wanted to get some of the best researchers available not only to write the papers but also to discuss and comment on them. We all took away a great deal from the diverse comments and criticisms that the various participants made. These have, of course, influenced the revising of the papers that the authors undertook after the conference, but will also figure in a separate paper that Gote Hansson, Lund University, is preparing for the EGDI and which will, among other things, sum up the discussion from the floor and in the final round table session. We would here like to extend our particular gratitude to the invited participants whose comments are not published in this volume: Sarah Bachman, Asia/Pacific Research Center, Stanford University, Richard Blackhurst, Graduate Institute of International Studies in Geneva, and formerly with the WTO, Gösta Edgren, former ambassador to the Vietnam and formerly with the ILO, Ulf Edström, the International Secretariat of the Swedish Trade Union Confederation (LO), Lotta Fogde, State Secretary for International Trade, Policy

and Strategic Export Control, Swedish Ministry for Foreign Affairs, Francis Maupain, the ILO, Geneva, Pradeep Mehta, Consumer Unity Trust Society, India, Ebrahim Patel, South African Clothing and Textiles Workers Union, South Africa, G. Rajasekaran, Malaysian Trade Union Congress, Malaysia, and Kari Tapiola, the ILO, Geneva. In addition we are most thankful to active and valuable contributions by the other participants at the seminar in August.

International labor standards is a subject where policy and research need to stand very close to each other. Our aim and hope, as editors, is that this book will be useful not only to students of trade, development, international relations and labor economics, but also to policy makers in government and in international organizations.