

LER497 E Labor Standards and Economic Development

Course Information Tues and Thursday 11.15-12:30
 133 Food Science Building

Course Instructor Dr. Jakir Hossain, 123A Keller Building
 jxh81@psu.edu

Office hours: Monday, 2-4 PM

Spring 2014 Semester Calendar

Week of Class	Tuesday	Thursday
One	14 January	16 January
Two	21 January	23 January
Three	28 January	30 January
Four	4 February	6 February
Five	11 February	13 February
Six	18 February	20 February
Seven	25 February	27 February
Eight	4 March	6 March
Mid-Term Break	9-15 March	
Nine	18 March	20 March
Ten	25 March	27 March
Eleven	1 April	3 April
Twelve	8 April	10 April
Thirteen	15 April	17 April
Fourteen	22 April	24 April
Fifteen	29 April	1 May
Sixteen	Exam Week	

Course Description

This course introduces the linkages between labor standards and economic development by examining them in the light of contemporary trends in the world economy and economic systems and by focusing on a number of key issues and challenges facing countries of global South. The course explores debates in the literature among economists, sociologists, political scientists, and development planners. The first part of the course will focus on the theoretical connections between labor standards and economic development with a view to reconciling current debates. The second part will focus on understanding the intersection between labor standards and economic development, such as the relationship between employment and growth, informality, wage determination, the importance of human capital, trade and migration, and labor market regulations. The third part will be devoted to an analysis of the role that the protection and promotion of labor standards can achieve in reference to concrete issues such as non-discrimination, child labor, compulsory labor, freedom of association and collective bargaining, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Course Objectives

Are labor standards an outcome of or an impediment to economic development? To many, labor standards that secure access to material wellbeing, such as the provision of a living wage, can assist in addressing poverty, thereby raising levels of economic development. Whilst to others, legally mandated minimum wage remove discretion from workers to make choices that could improve their lives, and thereby preventing at least some welfare-improving trades from happening. Many consider that the wretched labor conditions such as child labor are the result of poverty, not its cause. Similarly, to many, the regulation of working conditions, such as hours of work and health and safety, enable workers not only to make economic provision for their families but also to care for their dependents. While to others, one should find out the worker's next best opportunity to the precarious working conditions: we do workers no favors when we remove the best of a lot of every bad possible choice. These are long debated issues, that require addressing the intersection between the conditions of work and economic development and considering the protection and promotion of labor standards in development terms.

This course examines the debates surrounding labor standards and economic development in the context of global South to the justificatory basis of labor standards in economic development. This course introduces the inter-linkages between labor standards and economic development by analyzing the issues both conceptually and empirically. Conceptually—by examining issues of economic development in the light of contemporary trends in the world economy and economic systems i.e., capitalist, mixed or socialistic; and empirically—by focusing on a number of key issues and challenges facing countries of global South.

Core Contents

The subject matter of the course itself is a contested terrain. The conflicting claims of various professionals including economists, sociologists, political scientists, development planners, engaged in the formulation and implementation of development policies are given critical attention. The claims of these disciplines and professionals regarding the development processes, partially account for the contradictory character of their prescriptions and responses to the world of work and economic development situations. The course recognizes that there is no simple way to integrate or reconcile fully those contradictions and to advocate a single approach would be misleading. This requires constant movement between macro-level paradigmatic issues and more specific micro-level implementation or practical concerns.

The sessions of the course, accordingly, are divided in three thematic parts. The first part focuses on the theoretical connections between labor standards and economic development with a view to make a way out among the current debates. The second part is about understanding what this means for the range of issues that are fundamental to understanding the intersection between labor standards and economic development, such as the relationship between employment and growth, informality, wage determination, the

importance of human capital, trade and migration, and labor market regulations, to name a few. The third part is devoted to an analysis of the role that the protection and promotion of labor standards can achieve in reference to concrete issues such as non-discrimination, child labor, compulsory labor, freedom of association and collective bargaining, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Teaching and Learning Strategies

The course is imparted through a mixture of lectures, structured presentation and informal class discussion. Each topic will be introduced in lecture and then discussed in some detail in class presentation, class discussion and group discussion formats. The course instructor will present the outlines of the key themes of the session. Students' participation will consist not only of questions and comments on the lecture themes, but will include small interventions prepared in advance with the guidance of the course instructor.

The course does not try to force an artificial idea of unity. It offers instead, two complementary approaches: ample opportunity for the course instructor to present separately his contributions, ideas and findings, and opportunities for synthesis relying on teacher-student interaction. The role of the course instructor is to give overall orientation and to present a framework that will be useful in giving coherence and strength to individual analyses. The teaching priority is on developing students' skill to explore and analyze critical aspects of the theory and practice of issues surrounding labor standards and economic development, as well as to attain broader perspectives on economic development issues and challenges facing the countries of global South. The extent to which such synthesis is achieved depends upon the relative ability of students to interact and react to each other's contributions. Great emphasis is, therefore, placed upon students' presentations, class discussion and informal discussion groups.

Readings

All readings can be found on ANGEL. Students are expected to read and take notes on all assigned readings prior to class. Students are encouraged to search for related newspaper articles and post those on ANGEL. These articles, when relevant, will be brought into discussion during class. The course instructor will post relevant articles on issues of labor standards and economic development on ANGEL.

Mode of Assessment

During the semester, students are required to write a 3000 words essay on a topic related to the inter-linkages of labor standards and economic development (40% of total grade). The topic for the essay needs to be approved by the course instructor in advance. A two-page research outline including thesis statement is due by Week 13 for upload at ANGEL, and students are required to present their ideas of the research in one of the sessions of Week 14

(10% of total grade). The final paper submission deadline is First Week of May 2014.

At the courses' mid-point, students will be given a take-home essay covering materials discussed up until that point in the course (20% of total grade). The exam will be given out on Session 14 and will be due back on Session 16. The mid-term take-home essay must be uploaded to the corresponding folder on ANGEL before the midnight of the date specified.

Students are also assessed through class attendance (10% of total grade), class presentation and discussion (10% of total grade), and group work (10% of total grade). Everyone is expected to lead one class discussion and to write 1 or 2 paragraph statement discussing an important point they gained from their particular reading and how it relates to the themes of the class session. This 'discussion memo' should be uploaded to the course ANGEL website's drop-box at least 24 hours before the class schedule. Students are expected to read all discussion memos prior to class. Students would too be divided into groups and asked to make presentations on issues relevant to labor standards e.g., workplace safety. The main goal of the group work would be to present not only theoretical perspective for and against the selected labor standard(s) but to enable students to relate to real life situations of labor standards.

Grading Scale

A	100-93.0%	C+	79.9-78.0%
A-	92.9-90.0%	C	77.9-70.0%
B+	89.9-88.0%	D	69.9-60.0%
B	87.9-83.0%	F	59.9-0%
B-	82.9-80.0%		

Academic Integrity

Any instance of academic dishonesty (as defined in the student handbook) will result in failure of the course. Violations will also be reported to the appropriate University authorities for further action.

Attendance Policy

Students are expected to be in attendance for each class throughout the semester. See University Faculty Senate Policy: (<http://www.psu.edu/ufs/policies/42-00.html>) for university-wide attendance policies.

Note to students with disabilities

Penn State welcomes students with disabilities into the University's educational programs. If you have a disability-related need for reasonable academic adjustments in this course, contact the Office for Disability Services. For further information regarding policies, rights and responsibilities please visit the Office for Disability Services (ODS) Web site at: www.equity.psu.edu/ods/. Instructor should be notified as early in the semester as possible regarding the need for reasonable accommodations.

Learning Outcome

The complex and often contradictory character of issues related to the inter-linkages between labor standards and economic development is reflected in its substantial literature. Notwithstanding the large number of books and journals, the absence of a single, coherent and unified body of knowledge in the subject matter is apparent. Instead a wealth of ideas, theories, approaches and experiences are offered for scrutiny. The expectation is that the resulting knowledge will be relevant for understanding the process of economic development through promotion and protection of labor standards.

At the end of the unit, students are expected to be equipped with theoretical tools and empirical evidence necessary for an in-depth understanding on the inter-linkages between labor standards and economic development. The course provides students with a grounding in the perspectives on labor economics for development and equips them with skills needed to build on this through detailed study of specific labor standards and economic development issues which cover particular sectors and thematic areas within a framework of historical, socioeconomic and political factors that shape the economic development opportunities and challenges in the global South.

Outline of Sessions

Week 1 Introduction

Session 1 Introduction to Course

Session 2 Development Goals and Labor Standards Outcome

Readings for Sessions 1-2

1. World Bank. 2000. *Beyond Economic Growth: Meeting the Challenges of Global Development*. Washington DC: World Bank
[Chapter 1: What is Development? Chapter 2: Comparing Levels of Development; Chapter 4: Economic Growth Rates; Chapter 5: Income Inequality; Chapter 6: Income Inequality]
http://www.worldbank.org/depweb/beyond/beyondco/beg_all.pdf
2. United Nations. 2013. *The Millennium Development Goals Report 2013*. New York: United Nations
<http://www.un.org/millenniumgoals/pdf/report-2013/mdg-report-2013-english.pdf>
3. ILO. 2013. The Benefits of International Labor Standards.
<http://www.ilo.org/global/standards/introduction-to-international-labour-standards/the-benefits-of-international-labour-standards/lang--en/index.htm>

PART I THE INTERSECTION BETWEEN LABOR STANDARDS AND DEVELOPMENT

Week 2-3 Understanding the Relationship

Session 3 Sources and Contents of Labor Standards

Readings:

1. ILO. 2013. Conventions and Recommendations
<http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>
How International Labor Standards are created
<http://www.ilo.org/global/standards/introduction-to-international-labour-standards/international-labour-standards-creation/lang--en/index.htm>
2. Engerman, S.L. 2003. "The History and Political Economy of International Labor Standards" in Basu, K. Horn, H. Roman, L. and Shapiro, J. (eds). 2003. *International Labor Standards*. Malden: Blackwell Publishing Ltd.

Session 4 Debate on Core/Non-core or cash/Non-cash Standards

Readings:

1. Joshua C. Hall and Peter T. Leeson, 2007. "Good for the Goose, Bad for the Gander: International Labor Standards and Comparative Development" *Journal of Labor Research* 2007. 28: 658-676
http://www.peterleeson.com/good_for_the_goose_bad_for_the_gander.pdf
2. Brown, D.K, Deardorff, A.V. and Stern, R.M. 2011. "Labor Standards and Human Rights: Implications for International Trade and Investment" Goldman School of Public Policy working paper, GSPP12-001. University of California, Berkeley.
<http://gspp.berkeley.edu/assets/uploads/research/pdf/ssrn-id2005323.pdf>
3. Alston, P. 2005. "Facing Up to the Complexities of the ILO's Core Labor Standards Agenda" Center for Human Rights and Global Justice Working paper, NYU School of Law.
<http://www.chrgj.org/publications/docs/wp/Alston%20Facing%20Up%20to%20the%20Complexities%20of%20the%20ILO's%20Core%20Labour%20Standards%20Agenda.pdf>
4. Brown, D.K. 2005. "International Trade and Core Labor Standards: A Survey of the Recent Literature" Tufts University Department of Economics Discussion Paper 2000-05.
<http://ase.tufts.edu/econ/papers/200005.pdf>

Session 5 Transmission Mechanisms of Labor Standards to Development

Readings:

1. Compa, L. 2008. "Corporate Social Responsibility and Workers' Rights" 30 *Comparative Labor Law & Policy Journal* 1 (Fall 2008)
<http://digitalcommons.ilr.cornell.edu/articles/183>
2. Silverman, M.E. 2013. *Avenues to Improving Workers' Rights and Labor Standards Compliance in a Globalized Economy*. Georgetown University Law Center
http://works.bepress.com/cgi/viewcontent.cgi?article=1001&context=matthew_silverman
3. Compa, L and Vogt, J.S. 2001. "Labor Rights in the Generalized System of Preferences: A 20-Year Review" 22 *Comparative Labor Law and Policy Journal* 199 (Vol. 22, Nos. 2&3, Winter/Spring 2001)
<http://digitalcommons.ilr.cornell.edu/articles/171>

Week 3-4 Taking Stands on Labor Standards

Session 6 The case for labor standards

Session 7 The case against labor standards

Session 8 Enforcement Mechanisms of Labor Standards

Readings for Sessions 6-8

1. Elliot, K. A and Freeman, R. B. 2003. "The Role Global Labor Standards Could Play in Addressing Basic Needs" in Heyman, J (ed). *Global Inequalities at Work: Workers' Impact on the Health of Individuals, families, and Societies*. Oxford: Oxford University Press

<http://users.nber.org/~freeman/Papers%20on%20RBF%20website/Role%20Lab%20Stan%20Play%20Address%20Needs%20-%20ed%20Heyman%2003.pdf>

2. Singh, N. 2003. "The Impact of International Labor Standards: A Survey of Economic Theory" in Basu, K. Horn, H. Roman, L. and Shapiro, J. (eds). 2003. *International Labor Standards*. Malden: Blackwell Publishing Ltd. pp 107-164

3. Maskus, K.E. 1997. "Should Core labor Standards be Imposed through International Trade Policy" World Bank. Policy Research working paper 1817.

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.196.1296&rep=rep1&type=pdf>

4. Barry, C. and Reddy, S. G. 2008. *International Trade and Labor Standards: A Proposal for Linkage*. New York: Columbia University Press. pp 1-26 [Introduction, and Chapters 1-5].

5. WTO. Labor Standards: Consensus, Coherence and Controversy

http://www.wto.org/english/thewto_e/whatis_e/tif_e/bey5_e.htm

PART II LABOR MARKET ISSUES OF STANDARD-DEVELOPMENT NEXUS

Week 5 Employment, Poverty, and Labor Market Dynamics

Session 9 Labor Market Dynamics in the Global South

Readings:

1. ILO. 2013. *Perspectives on Labour Economics for Development*. Geneva: International Labour Organization. [Chapter 2: The Labour Market in Developing Countries] http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_190112.pdf

2. ILO. 2013. *World of Work Report 2013: Repairing the Economic and Social Fabric*, Geneva: International Labour Organization. [Chapter 1]

http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_214476.pdf

Session 10 Employment, Growth, and Poverty Reduction

Readings:

1. ILO. 2013. *Perspectives on Labour Economics for Development*. Geneva: International Labour Organization. [Chapter 3: Growth, Distribution, Employment and Poverty] http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_190112.pdf

2. ILO. 2013. *World of Work Report 2013: Repairing the Economic and Social Fabric*, Geneva: International Labour Organization. [Chapter 2]

http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_214476.pdf

Week 6-8 Labor Market Regulation

Session 11 The determinants and distribution of wages

Readings: 1. ILO. 2013. *Perspectives on Labour Economics for Development*. Geneva: International Labour Organization. [Chapter 5: Wages in Developing Countries] http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_190112.pdf

Session 12 Trade, Labor, and Multinational Supply Chains

Readings: 1. Mosley, L. 2011. *Labor Rights and Multinational Production*. New York: Cambridge University Press [Chapter 3: Inside and Out: The Determinants of Labor Rights]
2. Kabeer, N. and Mahmud, S. 2004. “ Rags, Riches and Women Workers” in Kabeer, N and Mahmud, S, 2004. *Chains of Fortune: Linking Women Producers and Workers with Global markets* (United Kingdom: Commonwealth Secretariat).
<http://previous.wiego.org/publications/Chains%20of%20Fortune%20Chapters/Kabeer%20and%20Mahmud%20Export%20Oriented%20Garment%20Manu%20in%20Bangladesh.pdf>

Session 13 Migration and development

Readings: 1. ILO. 2013. *Perspectives on Labour Economics for Development*. Geneva: International Labour Organization. [Chapter 6: Labour Migration and Development] http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_190112.pdf

Session 14 Education and Human Capital

Readings: 1. ILO. 2013. *Perspectives on Labour Economics for Development*. Geneva: International Labour Organization. [Chapter 7: Education and Human Capital] http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_190112.pdf
2. Oxfam. 2005. *Beyond Access: Transforming Policy and Practice for Gender Equality in Education*. Oxford: Oxfam GB. [Introduction; Chapter 1; Chapter 2; Chapter 4; and Chapter 13] <https://ia600300.us.archive.org/18/items/beyondaccesstran00aikmrich/beyondaccesstran00aikmrich.pdf>

Session 15 Informality, Exclusion and Discrimination

Readings: 1. ILO. 2013. *Perspectives on Labour Economics for Development*. Geneva: International Labour Organization. [Chapter 4: Informality] http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_190112.pdf
2. Trebicko, A. 2004. *International Labor Standards and the Informal Economy*. Geneva: International Labour Organization http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_079133.pdf

Session 16 ***Mid Term Take-Home Exam***

PART III LABOR STANDARD CONTENTS AND IMPLICATIONS FOR DEVELOPMENT

Week 9-10 Core Labor Standards

- Session 17 Non-discrimination
Session 18 Abolishing child labor
Session 19 Abolishing compulsory/ forced labor
Session 20 Freedom of association and collective bargaining

Readings for Sessions 17-20

1. ILO: Core Labor Standards <http://ilo.org/global/standards/subjects-covered-by-international-labour-standards/lang--en/index.htm>
2. Bakvis, P and McCoy, M. 2008. "Core Labor Standards and International Organizations: What Inroads Has Labor Made? Friedrich Ebert Stiftung Briefing papers, N.6/2008 <http://library.fes.de/pdf-files/iez/05431.pdf>
3. Alston, P. 2004. "Core labor Standards' and the Transformation of the International Labor Rights Regime" *European Journal of International law* 15. pp 457-521 <http://ejil.oxfordjournals.org/content/15/3/457.full.pdf+html>
4. Brown, D.K., Deardorf, A, and Stern, R.M. "Child Labor: Theory, Evidence, and Policy" in Basu, K. Horn, H. Roman, L. and Shapiro, J. (eds). 2003. *International Labor Standards*. Malden: Blackwell Publishing Ltd. pp 107-164
5. Kuruvilla, S., Hossain, J., & Berger, S. (2010). *Assessment of the progress of nations on core labor standards: Measures of freedom of association and collective bargaining*. Cornell University, ILR School <http://digitalcommons.ilr.cornell.edu/articles/310>

Week 11 Group Work Presentation

- Session 21-22 Labor Standards' Implications for Development

Week 12-14 Acceptable Conditions of work

- Session 23 Wage and Benefits
Session 24 Occupational Safety and Health
Session 25 Employment Contract
Session 26 Working Hours, Work Time, Leave, and Rest
Session 27 Welfare and Social Protection

Readings for Sessions 23-27

1. ILO. 2011. *Social Protection Floor for a fair and Inclusive Globalization*. Geneva: International Labor Organization. http://www.ilo.org/wcmsp5/groups/public/---dgreports/-dcomm/---publ/documents/publication/wcms_165750.pdf
2. Hilgert, J. 2013. *Hazard or Hardship : Crafting Global Norms on the Right to Refuse Unsafe Work* Ithaca: ILR Press [Introduction; Chapter 1; and Conclusion – available as ebook from PSU Library]
3. ILO. 2013. *World of Work Report 2013: Repairing the Economic and Social Fabric*, Geneva: International Labour Organization. [Chapter 3: Role of Minimum wages in rebalancing the Economy] http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_214476.pdf

Week 14-15 Presentation, Review, and Exam

- Session 28-29 Student Presentation of Individual Research Papers
Session 30 Review of Sessions: Inter-Linkages of Standards and Development
Week 16 EXAM/ Submission of Research Paper