

The Political Economy of Labor and Development (POLS 2155)

Professor Richard Locke

Wednesdays 9:00-11:20

Prospect House 102

This graduate research and reading seminar examines an array of issues facing labor in today's global world. The premise of this course is that recent developments (e.g., globalization, liberalization, privatization, etc.) have created a mix of opportunities and risks for labor in most developing (and already developed) countries. On the one hand, these trends have encouraged foreign direct investment and the diffusion of global supply chains, which in turn, have promoted economic development and job growth for some groups of workers in some of these countries. On the other hand, globalization and liberalization have undermined social safety nets, eroded labor and environmental standards, and resulted in greater rates of poverty for other groups of workers within these same countries as well as in other developing economies. How do we explain these differences? What kinds of policies can be promoted (and by whom) to more evenly distribute the benefits of globalization? This course seeks to address these questions.

Requirements

Aside from regular class attendance, preparation for and participation in class discussions, each student will be required to write:

- **Weekly memos:** Each week, I would like you to write a concise (2-3 page) memo on the course readings. Memos should address (a) ideas and arguments in the readings that you found stimulating, (b) questions, concerns and/or disagreements with the claims of the individual texts, (c) connections among the various texts.
- **A 10-15 page research proposal** on a topic related to the course. I will explain early in the semester **how** to write a successful research proposal. The last few weeks of the course are dedicated to presentations of these research proposals.
- In addition to writing one's own research proposal, all students will be required to write **1-2 page memos, constructive** comments, on each other's proposals.

The objective of these assignments is not only to encourage students to pursue interesting new research projects on labor politics in developing countries but also to create a vibrant and supportive intellectual community of people interested in these topics.

Readings:

All required articles will be posted on a course web site. In addition, the following four books have been ordered at the Brown bookstore:

Jagdish Bhagwati and Arnind Panagariya, **Why Growth Matters: How Economic Growth in India Reduced Poverty and the Lessons for Other Developing Countries**, (New York: PublicAffairs, 2013).

Richard M. Locke, **The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy**, (New York: Cambridge University Press, 2013).

Dani Rodrik, **Has Globalization Gone Too Far?** (Washington, D.C.: Institute for International Economics, 1997).

Amartya Sen, **Development as Freedom**, (New York: Knopf, 1999).

Schedule

CLASS 1 (SEPT. 4):

**INTRODUCTION: GLOBALIZATION:
PROMISE OR PERIL FOR LABOR IN DEVELOPING
COUNTRIES?**

Readings:

Dani Rodrik, **Has Globalization Gone Too Far?**
entire.

World Bank, **Globalization, Growth and Poverty:
Building an Inclusive World Economy**, entire.

Available on-line at:

<http://go.worldbank.org/K300RCMF10>

Pranab Bardhan, "Globalization and rural poverty,"
World Development, 34, 8 (2006): 1393-1404.

CLASS 2 (SEPT. 11):

BROADENING THE DEBATE: LABOR AND DEVELOPMENT

Readings:

Amartya Sen, **Development as Freedom**, Introduction, chapters 1-6, 12.
Peter Evans, "Collective capabilities, culture, and Amartya Sen's Development as Freedom," *Studies in Comparative International Development*, 37, 2, (2002): 54-60.

Jagdish Bhagwati and Arvind Panagariya, **Why Growth Matters**: chapter 7.

CLASS 3 (SEPT. 18):

WHAT KIND OF DEVELOPMENT?: GLOBAL VALUE CHAINS AND (VS.) LOCAL DEVELOPMENT

Readings:

Khalid Nadvi, "The Effect of Global Standards on Local producers: A Pakistani Case Study," in **Local Enterprises in the Global Economy -- Issues of Governance and Upgrading**, Hubert Schmitz, ed., (Edward Elgar, 2004: 297-325).

Kurt Alen Ver Beek, "Maquiladoras: Exploitation or Emancipation? : An Overview of the Situation of Maquiladora Workers in Honduras," *World Development*, Vol 29, No. 9 (September 2001).

L. Navas-Aleman and L. Bazan, "Local Implementation of Quality, Labour, and Environment Standards: Opportunities for Upgrading in the Footwear Industry", SEED Working Paper No. 45, Geneva: International Labor Organization, 2003.

Meenu Tewari, "Successful Adjustment in Indian Industry: The Case of Ludhiana's Woolen Knitwear Cluster," *World Development*, 29, 9 (1999): 1651-1671.

Stephanie Barrientos, Gary Gereffi, et. al, "Economic and Social Upgrading in Global production Networks: A New Paradigm for a Changing World," *International Labour Review*, 150, 3-4 (2011): 319-340.

CLASS 4 (SEPT 25):

TRADE, DEVELOPMENT AND STANDARDS

Readings:

Jagdish Bhagwati, "Trade Liberalization and 'Fair Trade' Demands: Addressing the Environmental and Labor Standard Issues" *The World Economy*, 18, 6 (1995): 745-759.

Brian Greenhill, Layna Mosley, and Aseem Prakash, "Trade-based Diffusion of Labor Rights: A Panel Study, 1986-2002," *American Political Science Review*, Vol. 103, No. 4 (November 2009): 669-690.

Oxfam, **Rigged Rules and Double Standards: trade, globalization, and the fight against poverty**, entire. Available on line at: www.maketradefair.com

CLASS 5 (OCT 2):

THE DEBATE OVER STANDARDS I: MARKET AND CIVIL SOCIETY SOLUTIONS

Readings:

Dara O'Rourke, "Outsourcing Regulation: Analyzing Nongovernmental Systems of Labor Standards and Monitoring," *Policy Studies Journal*, Vol. 31, N. 1: 1-29.

Archon Fung, "Deliberative Democracy and international labor standards," *Governance* 16, 1 (2003): 51-71

Kimberly Ann Elliott and Richard B. Freeman, "White Hats or Don Quixotes? Human Rights Vigilantes in the Global Economy", National Bureau of Economic Research Working paper # 8102. Available on line at www.nber.org

Richard M. Locke, **The Promise and Limits of Private Power**: chapters 1-3.

Chika Oka, "Accounting for the Gaps in Labour Standard Compliance: The Role of Reputation Conscious Buyers in the Cambodian Garment District," *European Journal of Development Research*, 22, 1 (2010): 59-78.

Class 6 (Oct. 9):

The Debate Over Standards II: What Role for the State?

Peter Evans, "The Eclipse of the State?: Reflections on Stateness in an Era of Globalization," *World Politics*, (October 1992): 62-87

Ben Ross Schneider. "Elusive Synergy: Business-Government Relations and Development," *Comparative Politics*, 31, 1 (1998): 101-122

Andrew Schrank, "Professionalization and Probity in the Predatory State: Labor Law Enforcement in the Dominican Republic" *Latin American Politics and Society*, 51, 1 (2009).

Mathew Amengual, "Pathways to Enforcement: Labor Inspectors Leveraging Linkages with Society in Argentina," *Industrial and Labor Relations Review*, (2013).

Mark Anner, "Meeting the challenges of industrial restructuring: Labor reform and enforcement in Latin America," *Latin American Politics and Society*, 50, 2 (2008): 33-65.

Richard M. Locke, **The Promise and Limits of Private Power**, chapter 7.

CLASS 7 (OCT. 16):

SESSION WITH BROWN UNIVERSITY LIBRARIAN, DR. IAN STRAUGHN, ON RESEARCH RESOURCES AND FUNDING OPPORTUNITIES

CLASS 8 (OCT 23):

THE "OTHER" LABORERS: WORKERS IN THE INFORMAL SECTOR AND WORKING IN "FISSURED" WORKPLACES

Readings:

Ragui Assaad, "Formal and Informal Institutions in the Labor Market, with Applications to the Construction Sector in Egypt", *World Development*, 21, 6 (1993): 925-939.

J. Bhagwati and A. Panagariya, **Why Growth Matters**, chapter 8,

Rina Argarwala, **Informal Labor, Formal Politics, and Dignified Discontent in India**, (New York: Cambridge University Press, 2013): chapters 1,2.

Gretchen Helmke and Steven Levitsky, "Informal Institutions and Comparative Politics: A Research Agenda," *Perspective on Politics*, 20, 4 (2004): 725-740.

David Weil, "Fissured Employment: Implications for Achieving Decent Work", unpublished ms. 2013.

CLASS 9 (OCT 30):

POSSIBLE SOLUTIONS? WORKERS INTO ENTREPRENEURS...MICRO-CREDIT AND LOCAL ECONOMIC DEVELOPMENT

Pankaj Jain and Mick Moore, "What makes microcredit programmes effective? Fashionable fallacies and workable realities," *IDS Working Paper* No. 177, 2003.

Jonathan Morduch, "The Microfinance Schism." *World Development* 28,4 (2000): 617-629.

Rodrigo Canales, "Weaving Straw into Gold: Managing Organizational Tensions Between Standardization and Flexibility in Microfinance," *Organizational Science*, forthcoming 2013.

Kellee Tsai, "Imperfect substitutes: the local political economy of informal finance and microfinance in rural China and India," *World Development*, 32, 9 (2004): 1487-1507.

Julia Elyachar, "Empowerment Money: The World Bank, Non-Governmental Organizations, and the Value of Culture in Egypt," *Public Culture*, 14, 3 (2002): 493-513.

Class 10 (Nov 6):

Possible Solutions II: Global Justice and New Forms of Collaboration between State and Society

Joshua Cohen and Charles Sabel, "Extra Rempublicam Nulla Justitia?" *Philosophy & Public Affairs*, 34, 2 (2006): 147-175.

Sandra Polaski, "Combining global and local forces: The Case of Labor Rights in Cambodia," *World Development*, 34, 5 (2006): 919-932.

Roberto Pires, "Promoting sustainable compliance: Styles of labour inspection and compliance outcomes in Brazil," *International Labour Review*, 147, 2-3 (2008): 199-229.

Matthew Potoski and Aseem Prakash, "The Regulation Dilemma: Cooperation and Conflict in Environmental Governance," *Public Administration Review*, 64, 2 (2004): 137-148.

Richard M. Locke, **The Promise and Limits of Private Power**: conclusion.

Class 11 (Nov. 13):

Student Presentations

Class 12 (Nov. 20):

Student Presentations

No Class (Nov. 27):

Thanksgiving Break

Class 13 (Dec. 4):

Student Presentations