

Globalization and labor

Globalization and Labor Conditions. By Robert J. Flanagan. New York, NY, Oxford University Press, 2006, 272 pp., \$45.00/hardback

Globalization and Labor. By Peter Enderwick. Philadelphia, PA, The New Global Society/Chelsea House Publishers, 2006, 154 pp., \$30.00/hardback.

Globalization is a highly contentious issue that requires objective and thorough evaluation based upon the major social and economic impacts of expanding international trade and market access. These two books are quite similar in terms of the issues examined. Both authors are interested in globalization's overall effect on labor, rather than in specific instances of adverse effects or concerns, and both favor globalization in general. Both authors present and evaluate an impressive spectrum of the existing evidence about how globalization is affecting labor.

Robert J. Flanagan's *Globalization and Labor Conditions* is the larger and more technical treatment of the subject. Although he provides a very broad and inclusive picture of globalization both past and present, Flanagan's focus is on how globalization has affected working conditions for good or for ill. Flanagan makes the assumption that the entry of China and India into the globalization process probably has accelerated globalization's effects on labor over the past 20 years. Therefore, he concentrates on evidence of change or deterioration of working conditions during the 1980s and 1990s.

Drawing on data compiled from a variety of national and international sources, Flanagan considers a number of indicators of working

conditions and labor rights. He investigates three dimensions of working conditions (pay, hours of work, and job safety) and four dimensions of labor rights (freedom of association, nondiscrimination in employment, child labor, and forced labor). Based on his investigation, Flanagan finds little evidence of deterioration in either working conditions or labor rights. (Note: he was not able to find reliable data on forced labor, but other indicators showed little change or even improvement in this area.) This was true both in countries with poor economic performance and in countries experiencing stronger growth.

Flanagan reviews the many criticisms of globalization in terms of the negative effects on labor. Overall, he concludes that the data do not support the idea that globalization is harming labor or becoming a "race to the bottom." Flanagan devotes a chapter to evidence that growing national incomes, improving working conditions, and better health standards tend to occur together. He finds that rising inequality of income around the world results from rapidly increasing incomes at the upper levels and not from falling incomes at the lower levels.

The author views the role of labor unions as complex, with many negative as well as positive aspects. He uses Indonesia as an example of a country where external pressure to increase labor rights and the strength of unions has raised some wages, but at the cost of many jobs, productivity declines, and a variety of tactics to resist unions. Flanagan expresses the opinion that "...labor unions cannot improve working conditions for *all* workers without improving labor productivity." Regarding unionization, Flanagan states that "whether by statute or by collective bargaining, efforts to establish minimum employ-

ment standards tend to benefit some workers at the expense of others."

Flanagan devotes an entire chapter to international labor migration and labor conditions. He examines the effect of migration on wages and capital spending, and looks at issues such as brain drain and the impact of migration on labor markets and economies in the countries from which immigrants come. He has some sympathy for the freer movement of labor and the idea that the distinction between legal and illegal migration is not a clear-cut issue. He believes the negative effects, such as depressing wages, tend to be minimal compared to the gains from labor mobility. However, he is cognizant of national and political resistance to the freer movement of labor between countries. As a result, Flanagan takes into account these restrictions and legal status issues in examining both globalization and working conditions.

Globalization and Labor Conditions makes effective use of the current literature and research dealing with globalization. The book's reference section reflects extensive research and can serve as a valuable compilation of information on the existing research and debate. For some key aspects of globalization that involve underground economies and activities for which data are very limited or missing, the author provides extensive discussion. For example, the author goes into some depth discussing the issues of child labor and labor migration.

Peter Enderwick's *Globalization and Labor* is designed for a wide audience and is less academic and technical than the Flanagan book. However, the conclusions of both authors are quite similar, each asserting that globalization is a positive force overall for the world's working people.

Enderwick produces evidence that the current terms of trade favor rich, developed nations over developing nations. Whereas Flanagan views the process of globalization in trade as a force that has helped to expand trade (despite the existing trade restrictions, trading blocs, and bilateral agreements), Enderwick is more concerned with the inequities of these restraints on trade. Enderwick devotes the latter part of his book to policy proposals related to the need to improve the terms of globalization, labor rights, and participation in decisionmaking, environmental concerns, market-based policies and market adjustments, ethical conduct, ethical investment, social labeling, and voluntary codes of conduct. He examines management issues and looks at who should undergo training as managers of multinational firms. While Flanagan does not ignore these issues, his book is focused on the effects of globalization on working conditions as they currently exist and not on any effort to reshape or redirect the process of globalization on a large scale.

Enderwick is very concerned with the welfare of labor and labor rights. While he agrees with Flanagan that

the “race to the bottom” issue is overblown and that the reality of job transfers and investments is complex, he sees an extremely flawed system of trade and production with quotas, favoritism, exclusionary markets, and great difficulty achieving a better balance of investment around the world. Enderwick agrees with Flanagan on the reality and dynamism of globalization, writing “...globalization is likely to continue to be a powerful and potent force in the World economy.” In fact, in terms of the impact on workers, he believes that globalization may be even more important than changes in technology. However, he qualifies the inevitability of growing globalization with a note that “recent events that had a negative impact on globalization include the Asian Financial Crisis of 1997, the terrorist attacks of September 11, 2001, and the limited progress of the Doha trade rounds.”

Compared to Flanagan, Enderwick is in favor of interventions to make globalization work more equitably and to help reduce the problem of policy fragmentation—“separate policies that focus on trade, foreign direct investment, or offshoring.” Nevertheless, he is careful about lim-

iting such interventions. He writes, “...some intervention can be beneficial in terms of both efficiency and equity. For example, on the one hand, core labor standards that eliminate forced labor, discrimination, or the employment of children are likely to improve welfare. On the other hand, mandating economic labor standards on minimum wages or overtime rates at an international level is likely to be counterproductive.” Enderwick also believes that labor and labor unions must become more flexible and that organized labor needs to rethink its traditional approaches.

It is likely that there will be a large amount of research and many books written about globalization in the coming years. Globalization is an ongoing process that will evolve over time. The world may become more comfortable with globalization, or the backlash may grow. We can hope that most future research and writing will be in line with the caliber of these two fine books.

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