



Cornell University
ILR School

Cornell University ILR School
DigitalCommons@ILR

Research Studies and Reports

ILR Collection

1995

Trade and Labour Standards: A Review of the Issues

Gary S. Fields

Cornell University, gfsf2@cornell.edu

Follow this and additional works at: <https://digitalcommons.ilr.cornell.edu/reports>

Thank you for downloading an article from DigitalCommons@ILR.

Support this valuable resource today!

This Article is brought to you for free and open access by the ILR Collection at DigitalCommons@ILR. It has been accepted for inclusion in Research Studies and Reports by an authorized administrator of DigitalCommons@ILR. For more information, please contact catherwood-dig@cornell.edu.

If you have a disability and are having trouble accessing information on this website or need materials in an alternate format, contact web-accessibility@cornell.edu for assistance.

Trade and Labour Standards: A Review of the Issues

Abstract

[Excerpt] This is a paper by a labour economist for trade specialists. It is written at a time of hope tempered by fear. On the trade side, the hope is that the new World Trade Organisation will stimulate a better trading environment for all countries. On the labour side, the hope is that labour standards can continually be improved for most if not all of the world's working people. But there are also fears. One fear is that these goals may be difficult to achieve simultaneously. Another is that they may be undone by various pressures, including issues left unresolved in the Uruguay Round of the GATT.

Trade and labour market policies are continuously being discussed and reformulated. Strangely enough, much of this debate takes place in the absence of clearly-articulated goals. The reasons, it would seem, are twofold. On the one hand, for some analysts, the goals (e.g. freer trade, workers' rights) are held to be self-evident. On the other hand, the goals are themselves sometimes hard to pinpoint. When does "free trade" give way to "fair trade"? When does the pursuit of one labour standard (e.g. free collective bargaining) take precedence over another (e.g. full employment)?

Keywords

trade, labor standards, labor market, labor rights, fair trade, employment

Comments

Suggested Citation

Fields, G. S. (1995). *Trade and labour standards: A review of the issues* [Electronic version]. Paris: Organisation for Economic Co-operation and Development.

Required Publisher Statement

© [OECD](#). Reprinted with permission. All rights reserved.

TRADE AND LABOUR STANDARDS

A REVIEW OF THE ISSUES

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES

Pursuant to Article 1 of the Convention signed in Paris on 14th December 1960, and which came into force on 30th September 1961, the Organisation for Economic Co-operation and Development (OECD) shall promote policies designed:

- to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;
- to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and
- to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

The original Member countries of the OECD are Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The following countries became Members subsequently through accession at the dates indicated hereafter: Japan (28th April 1964), Finland (28th January 1969), Australia (7th June 1971), New Zealand (29th May 1973) and Mexico (18th May 1994). The Commission of the European Communities takes part in the work of the OECD (Article 13 of the OECD Convention).

En vertu de l'article 1^{er} de la Convention signée le 14 décembre 1960, à Paris, et entrée en vigueur le 30 septembre 1961, l'Organisation de Coopération et de Développement Économiques (OCDE) a pour objectif de promouvoir des politiques visant :

- à réaliser la plus forte expansion de l'économie et de l'emploi et une progression du niveau de vie dans les pays Membres, tout en maintenant la stabilité financière, et à contribuer ainsi au développement de l'économie mondiale ;
- à contribuer à une saine expansion économique dans les pays Membres, ainsi que les pays non membres, en voie de développement économique ;
- à contribuer à l'expansion du commerce mondial sur une base multilatérale et non discriminatoire conformément aux obligations internationales.

Les pays Membres originaires de l'OCDE sont : l'Allemagne, l'Autriche, la Belgique, le Canada, le Danemark, l'Espagne, les États-Unis, la France, la Grèce, l'Irlande, l'Islande, l'Italie, le Luxembourg, la Norvège, les Pays-Bas, le Portugal, le Royaume-Uni, la Suède, la Suisse et la Turquie. Les pays suivants sont ultérieurement devenus Membres par adhésion aux dates indiquées ci-après : le Japon (28 avril 1964), la Finlande (28 janvier 1969), l'Australie (7 juin 1971), la Nouvelle-Zélande (29 mai 1973) et le Mexique (18 mai 1994). La Commission des Communautés européennes participe aux travaux de l'OCDE (article 13 de la Convention de l'OCDE).

© OECD 1995
OCDE

Applications for permission to reproduce or translate all or part of this publication should be made to:

Les demandes de reproduction ou de traduction totales ou partielles de cette publication doivent être adressées à :

Head of Publications Service, OECD

M. le Chef du Service des Publications, OCDE

2, rue André-Pascal, 75775 PARIS CEDEX 16, France.

K
1705
.4
F46
1995

Foreword

This paper was presented at an informal meeting on Trade and Labour Standards organised by the Netherlands government in The Hague, on 19-20 September 1994. The objective of the meeting was to foster a first informal exchange of views among trade policy officials. Professor of Labour Economics at Cornell University, School of Industrial and Labour Relations, Gary Fields has written extensively on the subject of trade and labour standards. It was in his capacity as a consultant to the OECD that Mr. Fields prepared this study. In a larger context, the OECD is currently working on a report of possible links between trade and labour standards, to be presented to the meeting of the OECD Council at Ministerial level in 1995.

This paper is made available on the responsibility of the Secretary-General of the OECD.

Property of
MARTIN P. CATHERWOOD LIBRARY
NEW YORK STATE SCHOOL OF
INDUSTRIAL AND LABOR RELATIONS
Cornell University

CONTENTS

page

Abbreviations	7
----------------------------	---

TRADE AND LABOUR STANDARDS: A REVIEW OF THE ISSUES

I. Introduction	9
II. The basis for deciding on "appropriate" labour standards ...	10
III. Basic labour rights and harmonization of labour standards ..	11
IV. International pressure for additional labour standards	13
V. How to raise labour standards: push or pull?	16
VI. International trade and labour standards: substitutes or complements	19
VII. Conclusions	21
VIII. A final remark	22

Appendix : Worker Rights Standards	23
I. Freedom of association	23
II. The right to organise and bargain collectively	24
III. Forced labour	25
IV. Minimum age for employment	26
V. Acceptable conditions of work	26
Notes and references	29

Abbreviations

APRO	--	Asian Pacific Regional Organisation
EC	--	European Community
GATT	--	General Agreement on Tariffs and Trade
GDP	--	gross domestic product
GNP	--	gross national product
ICFTU	--	International Confederation of Free Trade Unions
ILO	--	International Labour Organisation
\$PPP	--	US dollar purchasing power of parity

TRADE AND LABOUR STANDARDS: A REVIEW OF THE ISSUES

I. Introduction

This is a paper by a labour economist for trade specialists. It is written at a time of hope tempered by fear. On the trade side, the hope is that the new World Trade Organisation will stimulate a better trading environment for all countries. On the labour side, the hope is that labour standards can continually be improved for most if not all of the world's working people. But there are also fears. One fear is that these goals may be difficult to achieve simultaneously. Another is that they may be undone by various pressures, including issues left unresolved in the Uruguay Round of the GATT.¹

Trade and labour market policies are continuously being discussed and reformulated.² Strangely enough, much of this debate takes place in the absence of clearly-articulated goals. The reasons, it would seem, are twofold. On the one hand, for some analysts, the goals (e.g. freer trade, workers' rights) are held to be self-evident. On the other hand, the goals are themselves sometimes hard to pinpoint. When does "free trade" give way to "fair trade"? When does the pursuit of one labour standard (e.g. free collective bargaining) take precedence over another (e.g. full employment)?

Policy choices are best discussed in terms of explicit, workable goals and it is proposed to start with the following two:

- facilitating and expanding mutually beneficial trading opportunities;
- enabling workers to achieve higher real earnings at the fullest possible level of employment while maintaining basic workplace rights (to be specified below).

It should be remembered, though, that these are not primary economic objectives. They are, rather, means toward an objective pursued by many national and international development agencies: raising the material standards of living for the world's people.

In the balance of this brief paper, five questions are raised for consideration:

1. On what basis should labour standards be chosen?

2. Is there such a thing as basic labour rights? If so, should they be harmonized internationally?
3. What labour standards are appropriate beyond the basic level and how might they be achieved?
4. Based on countries' experiences, is it better to promote labour standards directly or indirectly?
5. Are labour standards and international trade substitutes or complements?

II. The basis for deciding on "appropriate" labour standards

To begin with, two extreme positions on labour standards have to be rejected. One is "the more the better". The other is "the fewer the better".

The International Labour Organisation (ILO) has 174 conventions covering a wide range of labour standards including respect of fundamental human rights, protection of wages, employment security, working conditions, labour market and social policies, and industrial relations. The ILO devotes an important part of its efforts to having these conventions adopted and applied. In the words of the ILO's Director-General:

"One of our major responsibilities, therefore, is to ensure that, once adopted, standards are widely ratified by States which solemnly pledge to apply them. We would be falling far short of our claim to universality if we were to insist on the universality of standards as a matter of principle without taking the same trouble to make sure that they were universally implemented."³

The ILO itself recognises that it has not set priorities among the various conventions and recommendations, even though some may conflict with others.⁴ The ILO approach takes for granted that, in the absence of such conventions, countries will not fulfil the goals toward which labour standards are directed. One might legitimately ask whether such targets as full employment and rising real earnings would come closer to being met in countries that consciously "push" labour standards up through legislative means or those that allow them to be "pulled" up by the forces of supply and demand in labour markets. This will be discussed in more detail later in this paper.

To discuss the opposite position -- that the fewer labour standards there are, the better -- the following example could be used. A leading labour economics textbook⁵ written by two colleagues at Cornell University analyses some of the adverse consequences and unintended side-effects of well-intentioned labour market policies -- indeed, it presents these so convincingly that many of the students come away with the impression that labour market policies usually do not work and that labour markets are best left alone. It is essential in the

classroom to stress the positive main-effects of a labour market regulation or institution and to point out that these may more than outweigh the negative side-effects. There is no easy generalisation, and the "less is better" view is as imbalanced on one side as is the "more is better" view on the other.

How, then, are we to decide which labour standards are appropriate? While it is argued by some⁶ that international labour standards are needed in order to prevent countries from competing with one another on the basis of "illegitimate advantages", a different basis for evaluation could be suggested, namely, *basic human rights in the workplace*. The distinguishing criterion one could propose is *whether it is better to have no production at all than to have production using "illegitimate means"*.

If this criterion is adopted, it would imply that labour rights would be set at a minimum level appropriate to all working people in rich and poor countries alike and guaranteed by appropriate international agreements. They would be taken out of the realm of benefit-cost comparisons with tradeoffs among desirable goals and would instead be treated as *inviolable* rights.

What are the basic human rights in the workplace for men, women, and children everywhere? Would it be desirable to go beyond these basic labour rights to other labour standards?

III. Basic labour rights and harmonization of labour standards

It is useful at the outset to distinguish between a "labour standard" and a "labour right"; a "labour standard" is something we would aim towards and rather have than not have, whereas a "labour right" is something that is not to be violated except under the most extreme circumstances. "Labour standards" thus include "labour rights" but go beyond them.⁷

The US Department of Labour has repeatedly upheld the desirability of the following list of labour standards:⁸

1. Freedom of association
2. The right to organise and bargain collectively
3. Prohibition on forced or compulsory labour
4. A minimum age for the employment of children
5. Guarantee of acceptable working conditions (possibly including maximum hours of work per week, a weekly rest period, limits to work by young persons, a minimum wage, minimum workplace safety and health standards, and elimination of employment discrimination).

Section 502 (b) (8) of the 1984 Trade and Tariff Act authorises the President to withhold recognition under the Generalised System of Preferences (GSP) to a country that "has not taken or is not taking steps to afford internationally recognised worker rights to workers in the country (including any designated zone in that country)."⁹

The European Union's "Social Charter," approved by all of the EC Member countries except for the United Kingdom, specifies an even broader list of worker "rights" (which, because they are voluntary, might better be viewed as "targets"):

- Freedom of movement
- The right to employment and remuneration
- The improvement of living and working conditions
- The right to social protection
- The right to freedom of association and collective bargaining
- The right to vocational training
- The right of men and women to equal treatment
- The right of information, consultation, and participation
- The right to health and safety in the workplace
- The protection of children and adolescents in employment
- The protection of elderly persons
- The protection of persons with disabilities

It is sad but true that standards like these are unattainable for most of the world's people. The reason is very basic: most of the world's economies are too poor to assure these standards for the majority of their people, and even in the rich countries, these standards are not guaranteed to everyone. For example, when rural parents in the developing countries must decide between employing their children on the family farm during planting and harvesting season or sending them to school, the children are often made to work long and hard, even though not going to school is known to have potentially negative effects on the children's future opportunities.¹⁰ Or to take another example of a clash of priorities, when people receive extremely low hourly earnings from wage jobs or self-employment, they will want to work very long work weeks in order to meet their basic subsistence needs; in these circumstances, it would be heartless to limit the work week or compel a weekly rest period. However, the preceding lists are too ambitious and unrealistic for the majority of the world's workers.

Even leading labour officials now recognise the impossibility of guaranteeing "acceptable working conditions" at an internationally uniform level. For instance, the United States' Secretary of Labour, Robert Reich, said in a recent speech:

"It is inappropriate to dictate uniform levels of working hours, minimum wages, benefits, or health and safety standards. The developing countries' insistence that they must grow richer in order to afford American or European labour standards -- and that they must trade if they are to grow richer -- is essentially correct."¹¹

Along similar lines, the General Secretary of the International Confederation of Free Trade Unions (ICFTU), one of the strongest advocacy groups for labour, wrote:

"The ICFTU-APRO does not think that is possible or desirable to set a world-wide minimum wage. Negotiations between employers, unions, and governments within countries, which take into account productivity and other factors, are the best way to ensure that as trade and development progress, wages and other conditions of work improve."¹²

These statements suggest that a "guarantee of acceptable working conditions" has effectively been removed from current policy debate.

In the spirit of aiming for something that is both attainable and enforceable in *every* country, a set of *basic labour rights for workers throughout the world* can be proposed:

- i) No person has the right to enslave another or to cause another to enter into indentured servitude, and every person has the right to freedom from such conditions.¹³
- ii) No person has the right to expose another to unsafe or unhealthy working conditions without the fullest possible information.¹⁴
- iii) Children have the right not to work long hours whenever their families' financial circumstances allow.¹⁵
- iv) Every person has the right to freedom of association in the workplace and the right to organise and bargain collectively with employers.¹⁶

Such labour rights are essential for assuring fundamental human rights and that they should, therefore, be adopted around the world as soon as possible.¹⁷ Viewed in this way, the question of whether this four-point programme should be harmonized internationally can be answered easily. Yes, it should be: basic labour rights should be "taken out of competition" and guaranteed everywhere precisely because these rights are basic to all people.

IV. International pressure for additional labour standards

Should international pressure be brought to bear in the pursuit of additional labour standards that go beyond the four basic labour rights just proposed? Here,

one would argue that such standards should not be harmonized under the aegis of international organisations even if "deep integration" were possible, which it probably is not.¹⁸ Labour standards should, rather, be left to the individual countries.¹⁹ The reasons for concluding this are several:

1. Although developed countries' concerns for developing countries' labour standards are motivated in part by a humanitarian desire to improve the conditions of work in other countries, they nonetheless strike many in the developing world as unwarranted intrusion into their internal affairs and affronts to their national sovereignty. People in the developing world are offended when they are treated as being incapable of deciding what would be appropriate for themselves, and they rightly regard developed countries' advice as patronising. A remarkable unanimity of views against imposed international labour standards has been expressed by the leaders of developing countries around the world, including the Member states of the Association of South-East Asian Nations and the "Rio Group" of Latin American nations.
2. To many in the Third World, the First World's call for labour standards is protectionism of a badly-disguised sort.²⁰ Protestations about benevolent motives are regarded with considerable scepticism and, anyhow, motives are not observable. What is observable is that most of the support for labour standards comes from labour unions and labour ministries in some of the developed countries.²¹ Not surprisingly, the developing countries often react with anger. Consider this from the Prime Minister of Malaysia:

"Western governments openly propose to eliminate the competitive edge of East Asia. The recent proposal for a world-wide minimum wage is a blatant example. Westerners know that this is the sole comparative advantage of the developing countries. All other comparative advantages (technology, capital, rich domestic markets, legal frameworks, management and marketing networks) are with the developed states. It is obvious that the professed concern about workers' welfare is motivated by selfish interest. Sanctimonious pronouncements on humanitarian, democratic and environmental issues are likely to be motivated by a similar selfish desire to put as many obstacles as possible in the way of anyone attempting to catch up and compete with the West."²²

3. International standards designed with one problem in mind may make little sense in other contexts. Take the widely-urged standard of prohibiting production by forced or convict-labour and banning the trade in such goods.²³ This standard is motivated by abuses in countries which have been found to use political prisoners who are given only meagre subsistence and no wages to produce low-cost goods for export.

This is indeed outrageous. But would it be any less outrageous if the goods were sold only within those countries? Anyhow, most convicts around the world are imprisoned not for political reasons but because they have been convicted of crimes. To the extent that those who have committed violent or antisocial acts are made to work in prison for their living, why should not the goods they produce be sold abroad, with the proceeds to be used as partial compensation to the home societies (by, for example, defraying the social cost of maintaining prisons)? The case for banning the export of goods made by prison labour is unconvincing.

4. It is unlikely that an enforcement mechanism can be found that would be acceptable to all sides, but let us suppose for the moment that one could be. For instance, one of the world's leading advocates for free trade, Professor Jagdish Bhagwati of Columbia University, has proposed that US labour laws be applied to subsidiaries of US firms producing in Mexico. Assuming that international labour standards could be enforced in this way, one can reasonably ask whether they should be. Would it be good to apply the US minimum wage to subsidiaries of US firms operating in Mexico, considering the likely adverse employment effects? Should the labour of Mexican children be outlawed even when families rely on that labour for their livelihoods? Would it be right to impose an eight-hour day or a forty-hour week on people who want to work longer? If Mexico were to agree to these standards, how many jobs would move to other countries where these standards are not imposed? How many non-US companies who would not have to meet US labour standards would move into Mexico and replace US companies which would have to meet those standards? It is not obvious what would be good for Mexico; that is not for us to decide, but for them.
5. The European Union has set up structural funds which are supposed to help the less-developed countries and regions do what other Member states wish them to. Along similar lines, Ehrenberg has proposed compensating the developing countries for instituting and enforcing higher labour standards, but his is a lonely voice.²⁴
6. Finally, it is interesting to note that the ILO itself has *opposed* sanctions against countries that have failed to comply with conventions they have ratified or with the ILO's universal principles. Why? "In addition to implementing sanctions, the mere prospect of sanctions is capable of discouraging ratification, or even membership in the Organisation."²⁵ And: "[To] link trade concessions (such as access to their markets) to compliance with certain labour standards with a view to combating what they refer to as "social dumping" . . . [could cause our supervisory machinery to suffer] if the conclusions that result from it are used in a context of coercion."²⁶

V. How to raise labour standards: push or pull?

Assuming that it is left to individual countries to decide when and how to raise labour standards, what lessons might they find helpful from comparative analysis of other countries' experiences? First, it is necessary to be explicit about what is meant by "improved labour standards". Above, it was suggested that higher labour standards might be conceived as enabling workers to achieve higher real earnings at the fullest possible level of employment, and that is the objective that is taken here as given.

Two broad approaches toward raising labour standards can be found:

- Governments often take direct action aimed at raising labour standards: directly increasing employment, directly raising wages by means of government pay policy for the public sector and minimum wages for the private sector, encouraging and facilitating strong trade unions, instituting ambitious labour codes.
- Labour standards are also promoted indirectly, *via* actions to accelerate economic growth so that improvements in wage and employment opportunities can be afforded.²⁷ Among the developing countries, the direct approach of pushing up wages and employment has been the dominant one in Latin America and the Caribbean, Africa, and South Asia; by contrast, some Far Eastern economies (Singapore, Hong Kong, Korea, and Taiwan) are noteworthy for their reliance on indirect methods and the virtual absence of direct ones.²⁸ In the developed world, the European countries might appropriately be classified in an intermediate position.

Setting labour standards directly is a tricky business. In modelling the effects on labour market outcomes of pushing up labour standards, due account must be taken of such predictable consequences as informalisation, partial coverage, and international movement of companies and jobs. Existing labour market models are not entirely satisfactory in this regard.²⁹

Modern economic theory seeks to justify government intervention in the economy as a response to market failure, but the literature on the labour standards question has not gone very far toward specifying what market failure is being corrected. There are some apparent failures -- asymmetric information on the health and safety risks associated with particular jobs (which motivates proposed basic labour standard number (ii) "No person has the right to expose another to unsafe or unhealthy working conditions without the fullest possible information.") and severe limits on international migration as a response to poor labour conditions -- but discussion of these is conspicuously missing from the labour standards literature. On the other hand, one "failure" that is sometimes alleged in the literature is the failure of companies to do what is in their own interest,

leading some economists and other social scientists to argue that the imposition of labour standards could lead to improved industrial relations practices, more and better worker training, greater purchasing power of labour, and the like, all of which are presumed to be better for firms.³⁰ This line of reasoning implicitly assumes that firms are not now maximising profits and furthermore that the deviations from profit-maximising behaviour in the absence of enforced labour standards are systematic -- too little labour-management co-operation, for example. Neoclassically-oriented economists are not likely to be convinced by such claims, implicit or otherwise.

A more convincing argument might be the following: there exist multiple equilibria, the world's economies have somehow got locked into an inferior one because of coordination failures, and the imposition of labour standards on a world-wide scale would cause a shift to a superior equilibrium. This would, however, have to be demonstrated to be applicable to current conditions.

Consider now the alternative of waiting for labour standards to be pulled up by the forces of supply and demand. Have the indirect methods worked? Table 1 summarises the changes in labour market conditions for four East Asian economies. These data show two distinct phases, corresponding to the predictions of the famous dualistic development model of Lewis (1954) and Fei and Ranis (1964).³¹ In the first phase, when these economies were labour-abundant, real labour earnings stayed roughly constant while unemployment fell. In the second phase, once essentially-full employment was attained, real labour earnings rose rapidly while full or nearly-full employment was maintained.³² The results are astounding: in Taiwan, real wages are eight times higher than they were a generation ago, and in Korea, they are more than six times higher.

The extent to which workers in the Far East shared in their economies' economic growth can be demonstrated in another way. As Table 2 shows, in all four economies in the 1980s, real labour earnings grew at least as fast as real per capita GNP. The four Far Eastern economies have had very low rates of unemployment and very low levels of income inequality by international standards.³³ This means that people at the bottom end of the income distribution have benefited proportionately from economic growth, and in this way, growth raised labour standards: real minimum wages were increased, unemployment insurance systems were instituted, social protection systems were created, and collective bargaining grew in importance.³⁴

Recent cross-country analysis by the OECD (1994)³⁵ yields a similar conclusion. In Figure 1, the total wage and non-wage benefits received by workers in various European countries are plotted against the countries' GDP's per capita (in \$PPP). The remarkably tight positive relationship in the figure means that growth of national income leads to higher returns for labour -- a pattern fully consistent with the time-series evidence for the Asian countries presented above.

Table 1. Real wages and unemployment rates in four newly-industrialising economies (NIEs)

Hong Kong		
<u>Year</u>	<u>Index of real wages, 1948 = 100</u>	<u>Unemployment rate (%)</u>
1948	100	n.a.
1960/61	105	1.7
1965	157	n.a.
1970/71	167	4.4
1975/76	194	4.3
1980	253	3.7
1985	301	3.8
1990	405	1.7
Korea		
<u>Index of real earnings, 1966=100</u>		
	n.a.	8.2
1966/67	100	6.2
1971/72	169	4.5
1976	n.a.	3.9
1980/81	306	4.1
1986	421	3.8
1990	660	2.4
Singapore		
<u>Index of average real monthly income per worker, 1966=100</u>		
1966	100	9.1 (1965)
1975	100	4.8 (1977)
1980	120	3.5
1985	176	4.1
1990	216	2.0
Taiwan		
<u>Index of real manufacturing earnings, 1954=100</u>		
1954	100	6.3 (1955)
1960	102	4.3 (1963)
1970	183	1.5 (1972)
1979	400	1.3 (1981)
1985	518	2.9
1990	810	1.7

n.a. : not available.

Source: Fields, G. S. (1994), "Urban Poverty in Asia", *Asian Development Outlook 1994*,

Table 2. Economic growth and earnings growth in four newly-industrialising economies between 1980 and 1990.

	Growth of real GNP or GDP per capita (%)	Growth of real earnings (%)
Korea	+121.8 (a)	+115.8 (c)
Taiwan	+ 88.0 (a)	+102.7 (d)
Hong Kong	+ 64.2 (b)	+ 60.0 (d)
Singapore	+ 77.5 (b)	+ 79.8 (e)
(a) GNP growth		
(b) GDP growth		
(c) Mining and manufacturing		
(d) Manufacturing		
(e) All Industries		

Source: Fields, G. S., "Changing Labour Market Conditions and Economic Development in Hong Kong, Korea, Singapore, and Taiwan," *World Bank Economic Review*, forthcoming.

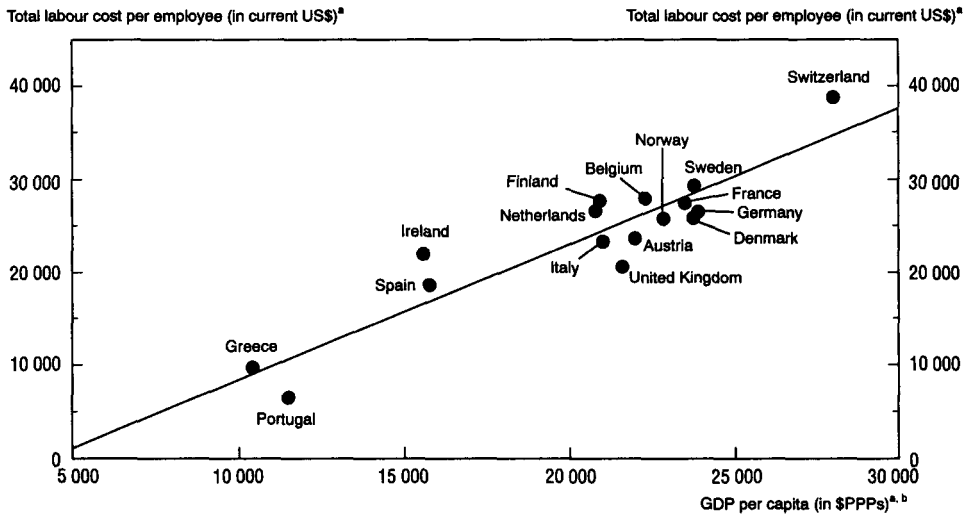
These international data suggest that there may be an effective alternative to pushing up wages and other labour standards directly: promoting labour standards indirectly through measures that foster economic growth. This is a call not for inattention to basic labour rights, which have not always been fully honoured in the Far East.³⁶ It is, rather, a call for careful analysis of which mechanisms would best promote improved labour standards in particular country contexts.

VI. International trade and labour standards: substitutes or complements?

The case for free trade is usually made in terms of the *national* interest. *Countries*, it is said, will gain from free trade. The celebrated Hicks-Kaldor compensation principle is ordinarily invoked: it is thought to be sufficient that the sum total of the gains from trade outweigh the total losses.

This argument is subject to two real-world problems, one of which is well-recognised by trade economists and one not. The one that is well-recognised is that the conditions for free trade to be welfare-improving might not hold in practice, and as a result, restricting trade can theoretically produce better results.³⁷ But it is not addressed here. What is addressed is the compensation principle in the context of real-world labour markets and trade competition.

Figure 1. Measures of labour standards and economic development



a) Average over the period 1985-1992

b) GDP per capita is nominal GDP as a ratio of working-age population

Source: OECD (1994), *Employment Outlook*, Chart 4.2, p.156, Paris

It is not enough that compensation be possible *in principle*. What matters is whether compensation occurs *in fact*, because as a practical matter, it rarely does. When compensation is not paid, we should look at how people are actually affected. When a worker who has a relatively good job by his/her country's standards loses that job (or is threatened by the loss of it) and is forced to settle for a less-good job, take early retirement, or whatever, he or she suffers a very real loss.³⁸ It is precisely the perception that "good jobs" are being lost to overseas competitors that causes workers in the developed countries to oppose freer trade. It is cruel to dismiss the complaints of affected workers on the grounds that the compensation could have taken place when everyone knows that it will not.

Losing one's job would not be a problem if equally good jobs were abundant elsewhere in the economy -- which actually was the case in the East Asian economies. But elsewhere, where the jobs available are bad ones ("McJobs", as they are now being called in the United States) or where no jobs are available at all (as in many European countries), the fears of those in good jobs cannot be dismissed.

This call for greater sensitivity to the concerns and fears of working people is *not* a call for trade protection. The evidence for the East Asian economies presented in Section V shows that growth of trade and improvements in labour standards *can* go together.

The experiences of the Asian newly-industrialising economies offer several lessons:

- appropriate factor pricing of the type practised in those economies can lead not only to rapid economic growth but also to the fullest possible use of a country's workers, first through full employment and then through rising real wages;
- under a policy of market wage determination, wages can rise among a fully-employed labour force as fast as GNP per capita, if not faster;
- labour earnings do not have to be suppressed in order for outward-oriented economic growth to be rapid. In fact, we learn from Singapore that a policy of wage repression can be harmful, not only for labour standards but also for growth.³⁹

From other regions of the world, we can also learn a cautionary lesson. Primacy to labour standards, if premature, can preclude competitiveness in trade, which in turn affects labour in those countries adversely. It is for reasons such as these that countries in Europe, Latin America, Africa, and South Asia are in the process of reevaluating their labour market legislation and regulations and social protection systems.

In conclusion it can be said that in order to raise people's material living standards, countries should seek economic growth, using trade and labour market policies as appropriate means to that end. Labour standards and international trade can be complementary. Such complementarities should be sought by countries and by companies and fostered by the international community.⁴⁰

VII. Conclusions

At the outset, five questions were raised. Here, briefly, are answers to each:

1. Some labour standards are essential immediately for assuring fundamental human rights and others are desirable targets to be set once countries can afford them. The defining criterion for labour rights is that production would not be allowed unless they are satisfied. International agreement should be sought on these basic workplace rights.
2. Basic labour rights for workers throughout the world include freedom from slavery and indentured servitude, the fullest possible information on safety

and health risks in the workplace, avoidance of undue child labour when families' financial circumstances permit, and freedom of association and the right to organise and bargain collectively.

3. When labour standards beyond the minimum are set in individual countries, they should be set by the countries themselves on the basis of what they can afford.
4. Those countries in the Far East that have relied on indirect methods of pulling wages and employment opportunities up through supply and demand have progressed much more rapidly than have countries in other parts of the world that have attempted to push labour standards up through minimum wages, government pay policy, support of trade unions, extensive labour codes, and the like. Other countries may wish to consider the indirect approach to raising labour standards.
5. Within some range, international trade and labour standards may well be complements rather than substitutes.

VIII. A final remark

If we in the First World really and truly believe that all workers in the Third World should enjoy the same labour standards as workers in our countries do, and if we are in fact prepared to offer others the same opportunities as our people have, let us open our borders and let people everywhere seek the best available labour standards wherever in the world they may be found. Otherwise, let us exercise a bit more restraint in telling others what we think *they* should do.

Appendix^a

Worker Rights Standards^b

I. Freedom of association

A. *Definition*

The right of association concerns relations between unions and governments and involves the right of workers and employers:

- to establish and join organisations of their choosing without previous authorisation;
- to draw up their own constitutions and rules, elect their representatives, and formulate their programmes;
- to join in confederations and affiliate with international organisations; and
- to be protected against dissolution or suspension by administrative authority.

B. *General principles*

1. Freedom of association applies to everyone **except** military and police.
2. Unions should be independent of the government or ruling party.

a) Source: Brown, D.K., Deardoff, A.V. and Stern, R.M. (1993), "International Labour Standards and Trade: A theoretical Analysis", Paper prepared for the Fairness Claims and Gains from Trade Project Meeting, University of Minnesota Law School, in July, adapted from Lyle, F. (1991), see b) below.

b) As stated in Lyle, F. (1991), (p.20) "Worker Rights in US Policy", *Foreign Labour Trends* 91-54. US Department of Labour, Bureau of International Labour Affairs: Washington: "These are not intended to be legal definitions, nor to encompass the entire spectrum of internationally recognised worker rights. Rather, they represent general guidance intended merely to highlight the basic principles behind each of the five internationally recognised worker rights found in US trade law."

3. Restrictions on the right to strike are legitimate only for government service (civil servants engaged in the administration of the state) and essential services (only those services whose interruption would endanger worker or public safety and health). When denied, there should be an effective alternate process for mediation, arbitration, and settlement of grievances.
4. Unions' civil liberties must be respected.
5. Unions may form and join federations, confederations, and international confederations.

II. The right to organise and bargain collectively

A. *Definition*

The right to organise and bargain collectively concerns relations between unions and employers and involves the right of workers:

- to be represented in negotiating the prevention and settlement of disputes with employers;
- to protection against interference with union activities;
- to protection against acts of anti-union discrimination;
- to protection against refusal of employment, dismissal, or prejudice due to union membership or participation; and
- government should promote processes for voluntary negotiations between employers and workers and their organisations.

B. *General principles*

1. Voluntary collective bargaining should be protected by law and should be practised.
2. Anti-union discrimination by employers should be illegal.
3. Speedy and effective processes should exist to review union/worker complaints of anti-union discrimination.

III. Forced labour

A. Definition

Forced labour should be prohibited and suppressed in all its forms. Although there are certain exceptions, forced labour refers to work or service exacted from any person under the menace of penalty and for which the person has not volunteered. "Menace of penalty" includes loss of rights or privileges as well as penal sanctions.

B. General principles

1. Forced labour should **never** be used for the following purposes:
 - a) economic development;
 - b) to enforce racial, social, national or religious discrimination;
 - c) as political coercion or education, or punishment for holding or expressing political views opposed to the established political, social or economic system;
 - d) for labour discipline;
 - e) as a punishment for having participated in legal strikes.
2. The following do not constitute "forced labour" as defined under the international standards:
 - a) certain forms of prison labour, **only** when imposed following conviction for a crime in a court of law;
 - b) national service obligations (compulsory military service and normal civic obligations);
 - c) genuine emergency, limited to a "sudden, unforeseen happening, calling for instant countermeasures, such as war, calamity or threatened calamity such as earthquakes, floods, pestilence, etc."
 - d) minor communal services, defined as services performed by community members in the direct interest of the community.

IV. Minimum age for employment

A. Definition

The minimum age standard aims at the effective abolition of child labour by raising the minimum age for employment to a level consistent with the fullest physical, mental, and social development of young people.

B. General principles

1. The minimum age for employment should be set no lower than 15, with an option for a lower minimum of 14 for developing countries with a level of economic development that makes the realisation of the higher standard impossible. Countries that set the minimum age at the lower level, however, should be trying to progressively change conditions so that they can meet the higher standard.
 - Exceptions: light work is permissible for 13-15 year olds; minimum age of 18 for dangerous work; work in connection with education or training; participation in artistic performances.
2. Minimum age legislation should cover all economic activity, not just employment under contract.
3. Education should be provided for all children and should be compulsory. The minimum age for employment shall not be less than the age for completion for compulsory schooling.
4. Minimum age legislation should have an effective enforcement system that includes an adequate number of inspectors and penalties that serve as effective deterrents. Penalties should include fines and/or imprisonment.

V. Acceptable conditions of work

A. Definition

The standards for acceptable working conditions provide for the establishment and maintenance of systems, adapted to national conditions, that provide for minimum, working standards: wages that provide a decent living for workers and their families; working hours that do not exceed 48 hours per week, with a full 24-hour rest day; a specified annual

paid holiday; and minimum conditions for protection of the safety and health of workers.

B. Basic principles

1. Minimum wage principles

- a) There should be a national, statutory minimum wage.
- b) It should be set realistically, preferably as a result of an open, public, or tripartite process, with certain specified criteria.
- c) Wages should be protected, i.e. paid in money and workers should be able to choose where and how they spend their wages.

2. Hours of work

- a) Working hours should not exceed 48 hours per week, with a full 24-hour rest day. Workers should have a specified annual paid holiday.
- b) Overtime should be regulated, remunerated at a higher rate than for "normal" working hours, and prohibited from exceeding a certain number of hours in a given period.

3. Safety and health principles

- a) Workers should have health and safety rights in the workplace, including a complaint process for hazardous conditions and the right to remove themselves from hazardous situations.
- b) The government should have health and safety standards as part of an open, public, or tripartite process.

4. Enforcement principles

- a) There should be a legislatively mandated enforcement system for minimum wage, hours of work, and safety and health.
- b) Inspectors should have the right to enter the workplace, should have access to workers and their representatives, and have the right to issue citations for violations.
- c) Workers and unions should be protected against adverse action in filing complaints.
- d) Penalties for violations should not be limited to warnings, but should include fines and prison sentences.

Notes and references

1. In particular, the Uruguay Round of the GATT left to future discussion the question of whether trade penalties should be applied to countries that violate internationally agreed labour practices. In recent months, protection against "unfair" foreign competition has been urged by such leading figures as Prime Minister Edouard Balladur of France, President Bill Clinton of the United States, and the president of the European Commission, Jacques Delors, among others. This issue is sometimes discussed under the names "social clause" or "social charter," which aims to improve labour conditions in exporting countries by allowing sanctions to be taken against exporters who fail to observe minimum labour standards. For a thoughtful discussion of issues surrounding a social clause, see VAN LIEMT, G. (1989), 'Minimum Labour Standards and International Trade: Would a Social Clause Work?' *International Labour Review*.
2. For an earlier essay by the authour on this subject, see FIELDS, G.S. (1990), 'Labour Standards, Economic Development, and International Trade,' in HERZENBERG S. and PEREZ-LOPEZ J.F., eds., *Labour Standards and Development in the Global Economy*, US Department of Labour, Washington. For histories of the linkage between international labour standards and world trade, see CHARNOVITZ, S. (1987), 'The Influence of International Labour Standards on the World Trading Regime: A Historical Overview,' *International Labour Review*, September-October, and OECD (1994), *Employment Outlook*, Paris.
3. See ILO (International Labour Office) (1994), *Defending Values, Promoting Change*. pp.29,30. Geneva.
4. See VAN LIEMT, G. (1989), 'Minimum Labour Standards and International Trade: Would a Social Clause Work?' *International Labour Review*.
5. EHRENBERG, R. G. and SMITH R. S. (1994), *Modern Labour Economics*, Harper Collins.

6. SHAHEED, Z. (1993), *Minimum Wages and Low Pay: An ILO Perspective*, Paper presented at the International Workshop on the Analysis of Low Pay and the Effects of Minimum Wages, Arles, France, September 30 and October 1.

COLLINGSWORTH, T., GOOLD W. J. and HARVEY P. J. (1994), 'Time for a New Global Deal,' *Foreign Affairs*, January-February.

WILKINSON, F., 'Equality, Efficiency, and Economic Progress: the Case for Universally Applied Equitable Standards for Wages and Conditions of Work', in SENGENBERGER W. and CAMPBELL D., eds., *Creating Economic Opportunities: the Role of Labour Standards and Labour Institutions in Industrial Restructuring*. Geneva: International Institute for Labour Studies, forthcoming.

7. Labour standards might in turn be classified into those relating to freedom of association and collective bargaining, those governing labour market practices such as minimum wages and anti-discrimination laws, and those pertaining to social insurance programmes. Some OECD countries do not regard all of these as desirable, and thus many have not set minimum wages.
8. See, for instance, HERZENBERG, S. and PEREZ-LOPEZ J.F. (eds.) (1990), *Labour Standards and Development in the Global Economy*. US Department of Labour, Washington and LYLE, F. (1991), 'Worker Rights in US Policy,' *Foreign Labour Trends* 91-54. US Department of Labour, Washington, Bureau of International Labour Affairs, as adapted by BROWN, D. K., DEARDORFF A.V., and STERN R. M. (1993), 'International Labour Standards and Trade: A Theoretical Analysis', Paper prepared for the Fairness Claims and Gains from Trade Project Meeting, University of Minnesota Law School, in July. Detailed definitions appear in the Appendix.
9. The debate earlier this year about whether to renew China's GSP recognition concerned precisely this provision of US law.
10. Parents do not keep their children out of school because they are mean or short-sighted. They want better life opportunities for their children and know that education is a means to that end. The problem is that the parents simply cannot do without their children's labour during the peak seasons.

11. REICH, R. B. (1994), *Keynote Address, Symposium on International Labour Standards and Global Economic Integration*, p.4. US Department of Labour, April 25.
12. IZUMI, T. (1994), 'A Change for Labour in Asia,' *International Herald Tribune*, April 4. p. 6.
13. So it does not matter whether these practices are "efficient" in the sense that those who undergo them might lead better material lives: slavery and indentured servitude violate fundamental human rights.
14. This would allow for people *knowingly* to enter risky or unsafe occupations, which often they are forced to do by economic necessity. This is enough of a violation of human decency. It is indecent for employers to withhold this information from employees until irreversible harm has been done.
15. But if family circumstances do not allow, child labour would be permissible on family farms or in family businesses.
16. This argument is *not* based on the idea that forming unions and bargaining collectively is a way of enabling workers to raise their wages, get their fair share of the output, or participate in the gains from trade [cf., EDGREN, G. (1979), 'Fair Labour Standards and Trade Liberalisation,' *International Labour Review*, September-October; ICFTU (International Confederation of Free Trade Unions) (1986), *The Uruguay Round of Multilateral Trade Negotiations*, Brussels; MARSHALL, F. R. (1988), *Linking Workers' Rights and Trade*. Paper presented to the International Metalworkers Federation Central Committee Meeting, Madrid, June]. Rather, the issue is one of basic rights and freedoms in the workplace -- a point of view shared by many management officials as well [e.g., KATZ, A. (1994), *Trade and Workers' Rights: A Proposal*, United States Council for International Business]. I am fully aware that unions sometimes have adverse economic effects, but I regard these as secondary to the need to assure basic workplace rights. The argument here parallels the support for the rights of people to form political parties and hold elections even though objectionable officials are sometimes elected, and highlights the contrast between the outcome-oriented approach usually adopted in economic analysis and the rights-based approach being used here.

17. If they were, such abuses as the use of up to 20 million Chinese as forced labourers, indentured servitude of 20 million Pakistanis, 35 per cent of whom are children, and a climate of violence and intimidation against workers in Brazil and the Philippines who seek to exercise the right to unionisation would be subject to international censure. [The source for these figures is the European Commission (1993), 'La Competitivité Européenne: L'Alibi du 'Dumping' Social,' Bruxelles, le 30 juillet 1993]. Threats to remove trade privileges have sometimes proved successful in improving labour rights, as in Indonesia last winter, which is one of the reasons that such measures have won the support of labour rights activists.
18. The term "shallow integration" is applied when I let you do what you want at home, provided you are open to trade. This is contrasted with "deep integration," where I also seek to influence what you do at home. On labour market aspects of deep integration, see LAWRENCE, R. (1994), *Labour Market Performance and Standards in the OECD: The Concern About Globalisation*, Paper presented at the Informal Policy Dialogue Meeting on Globalisation and Regionalisation, OECD, Paris, April and EHRENBERG, R. G. (1994), *Labour Markets and Integrating National Economies*, Brookings Project on Integrating National Economies.
19. The practice of setting certain minimum standards throughout a group of countries while allowing individual countries to set their own levels above the minimum or set standards on other matters is sometimes called "the principle of mutual recognition."
20. Occasionally, the protectionist motive is explicit. HECKER, S. and HALLOCK M. (1991), *Labour in a Global Economy: Perspectives from the US and Canada*. p.5 Eugene, OR: University of Oregon, for example, have suggested "[raising] the cost of doing business in other nations through international organising, international labour standards, and multinational bargaining campaigns."
21. In the United States, for example, labour standards are being promoted actively by the Department of Labour, which is the agency responsible for labour matters *within* the United States. It is worth noting that the Agency for International Development, which is responsible for US policy toward the development of *other* countries, has remained silent on the issue.
22. MAHATHIR M. (1994), 'East Asia Will Find Its Own Roads to Democracy,' *International Herald Tribune*, May 17, p. 6.

23. Article XX(e) of the GATT permits the contracting parties to take measures against the products of prison labour.
24. EHRENBERG, R. G. (1994), *Labour Markets and Integrating National Economies*, Brookings Project on Integrating National Economies.
25. ILO (International Labour Office) (1994), *Defending Values, Promoting Change*. p. 52. Geneva.
26. See note 25, p. 59.
27. Sometimes growth policies are undertaken with the explicit hope that they will lead to increased employment and rising labour earnings. Other times, the improved labour market conditions are simply not considered.
28. See, for instance, STARR, G. (1981), *Minimum Wage Fixing*. ILO: Geneva; FIELDS, G. S. and WAN, H. Y. Jr. (1989), 'Wage-Setting Institutions and Economic Growth,' *World Development*; World Bank (1993) *The East Asian Miracle*. Washington, and the references cited therein.
29. For some initial but still very incomplete work along these lines, see BROWN, D. K., DEARDORFF A.V. and STERN R. M. (1993), 'International Labour Standards and Trade: A Theoretical Analysis,' Paper prepared for the *Fairness Claims and Gains* from Trade Project Meeting, University of Minnesota Law School, in July; EHRENBERG, R. G. (1994), *Labour Markets and Integrating National Economies*, Brookings Project on Integrating National Economies; and JOHNSON, G. and STAFFORD, F. (1994), 'The Potential Effects of Globalisation on Real and Relative Wages,' University of Michigan, March.
30. See, for instance, KOCHAN, T. A. and NORDLUND W. (1990), 'Reconciling Labour Standards and Economic Goals: An Historical Perspective,' in HERZENBERG S. and PEREZ-LOPEZ J.F., eds., *Labour Standards and Development in the Global Economy*. US Department of Labour, Washington; SENGENBERGER, W. (1991), 'The Role of Labour Market Regulation in Industrial Restructuring,' in STANDING G. and TOKMAN V., eds., *Toward Social Adjustment*. ILO, Geneva; and PIORE, M. (1994), *Address presented at the Symposium on International Labour Standards and Global Economic Integration*, US Department of Labour, Washington, April 25.

31. LEWIS, W. A. (1954), 'Development with Unlimited Supplies of Labour,' Manchester School, May and FEI, J. C.H. and RANIS G. (1964), *Development of the Labour Surplus Economy*. Homewood, IL: Irwin.
32. Except in Singapore, whose real wages grew less rapidly than the others', because of a sustained period of wage repression in the 1970s.
33. The most recent data show an unemployment rate of 1.7 per cent in Hong Kong, 2.4 per cent in Korea, 2.0 per cent in Singapore, and 1.7 per cent in Taiwan. As for income inequality, the most commonly-used measure is the Gini coefficient, which ranges from 0.3 to 0.6, a higher value signifying a more unequal distribution of income. The Gini coefficients are 0.3 in Korea and Taiwan and 0.4 in Hong Kong and Singapore, as compared with 0.6 in Brazil and Jamaica. Source: FIELDS, G. S. (1994), 'Urban Poverty in Asia.' *Asian Development Outlook 1994*, forthcoming.
34. For details of the East Asian experiences, see LIM, L.Y.C. (1990), 'Singapore,' in HERZENBERG S. and PEREZ-LOPEZ J.F., eds., *Labour Standards and Development in the Global Economy*. US Department of Labour, Washington; RANIS, G. (ed.) (1992), *Taiwan: From Developing to Mature Economy*. Boulder, CO: Westview Press; and PARK, Y.B. (1993), *Labour in Korea*. Korea Labour Institute, Seoul. For a contrast with other regions of the developing world, see FALLON, P. R. and RIVEROS L. A. (1990), 'Macroeconomic Adjustment and Labour Market Response: A Review of Recent Experience in LDCs,' in HERZENBERG S. and PEREZ-LOPEZ J.F., eds., *Labour Standards and Development in the Global Economy*. US Department of Labour, Washington, and TURNHAM, D. (1993), *Employment and Development: A New Review of Evidence*. OECD, Paris.
35. OECD (1994), *Employment Outlook*, Paris.
36. DEYO, F. C. (1989), *Beneath the Miracle: Labour Subordination in the New Asian Industrialism*. University of California Press, Berkeley.
37. Bhagwati is among those who has recognised these theoretical possibilities but dismissed them as the work of "ingenious economists properly [making] their mark by proving the improbable." BHAGWATI, J. (1991), *The World Trading System at Risk*. Princeton University Press, Princeton. For an insightful discussion of the practical case for free trade, see the collection of papers by KRUGMAN, P. R. (1993), 'The Narrow and Broad Arguments for

Free Trade,' *American Economic Review*, May; McCULLOCH, R. (1993), 'The Optimality of Free Trade: Science or Religion?' *American Economic Review*, May; and MUSSA, M. (1993), 'Making the Practical Case for Freer Trade,' *American Economic Review*, May.

38. However, a number of authors are questioning how important trade competition really is as a cause of some of the developed countries' labour market problems; cf. BHAGWATI, J. and DEHEJIA V. (1993), '*Freer Trade and Wages of the Unskilled: Is Marx Striking Again?*' Paper prepared for the Workshop on Trade and Wages, American Enterprise Institute, in September and LAWRENCE, R. and SLAUGHTER M. (1993), 'International Trade and American Wages in the 1980s: Giant Sucking Sound or Small Hiccup?', *Brookings Papers on Economic Activity: Microeconomics*. Even if they are right that trade competition is not all that important *in general*, it may still have an important role to play *in particular industries* such as textiles, steel, and automobiles.
39. Operating through the National Wages Council, the government of Singapore held wages down in the 1970s in the belief that exports would be stimulated by low labour costs. In fact, low wages led to such severe labour shortages that growth was actually curtailed. Consequently, the wage repression policy was abandoned. See FIELDS, G. S. and WAN, H. Y. Jr. (1989), 'Wage-Setting Institutions and Economic Growth,' *World Development* or LIM, L.Y.C. (1990), 'Singapore,' in HERZENBERG S. and PEREZ-LOPEZ J.F., eds., *Labour Standards and Development in the Global Economy*. US Department of Labour, Washington, for details.
40. China has just promulgated a new labour law banning the employment of children under the age of 16, limiting the work week to 44 hours, guaranteeing one day off per week, and assuring maternity leave to women. It is generally felt that this law was put into effect in order to help win US support for China's World Trade Organisation candidacy.

**MAIN SALES OUTLETS OF OECD PUBLICATIONS
PRINCIPAUX POINTS DE VENTE DES PUBLICATIONS DE L'OCDE**

ARGENTINA - ARGENTINE

Carlos Hirsch S.R.L.
Galería Güemes, Florida 165, 4° Piso
1333 Buenos Aires Tel. (1) 331.1787 y 331.2391
Telefax: (1) 331.1787

AUSTRALIA - AUSTRALIE

D.A. Information Services
648 Whitehorse Road, P.O.B 163
Mitcham, Victoria 3132 Tel. (03) 873.4411
Telefax: (03) 873.5679

AUSTRIA - AUTRICHE

Gerold & Co.
Graben 31
Wien 1 Tel. (0222) 533.50.14

BELGIUM - BELGIQUE

Jean De Lannoy
Avenue du Roi 202
B-1060 Bruxelles Tel. (02) 538.51.69/538.08.41
Telefax: (02) 538.08.41

CANADA

Renouf Publishing Company Ltd.
1294 Algoma Road
Ottawa, ON K1B 3W8 Tel. (613) 741.4333
Telefax: (613) 741.5439

Stores:
61 Sparks Street
Ottawa, ON K1P 5R1 Tel. (613) 238.8985
211 Yonge Street
Toronto, ON M5B 1M4 Tel. (416) 363.3171
Telefax: (416)363.59.63

Les Éditions La Liberté Inc.
3020 Chemin Sainte-Foy
Sainte-Foy, PQ G1X 3V6 Tel. (418) 658.3763
Telefax: (418) 658.3763

Federal Publications Inc.
165 University Avenue, Suite 701
Toronto, ON M5H 3B8 Tel. (416) 860.1611
Telefax: (416) 860.1608

Les Publications Fédérales
1185 Université
Montréal, QC H3B 3A7 Tel. (514) 954.1633
Telefax: (514) 954.1635

CHINA - CHINE

China National Publications Import
Export Corporation (CNPIEC)
16 Gongti E. Road, Chaoyang District
P.O. Box 88 or 50
Beijing 100704 PR Tel. (01) 506.6688
Telefax: (01) 506.3101

CZECH REPUBLIC - RÉPUBLIQUE

TCHÈQUE
Artia Pegas Press Ltd.
Narodni Trida 25
POB 825
111 21 Praha 1 Tel. 26.65.68
Telefax: 26.20.81

DENMARK - DANEMARK

Munksgaard Book and Subscription Service
35, Nørre Søgade, P.O. Box 2148
DK-1016 København K Tel. (33) 12.85.70
Telefax: (33) 12.93.87

EGYPT - ÉGYPTE

Middle East Observer
41 Sherif Street
Cairo Tel. 392.6919
Telefax: 360.6804

FINLAND - FINLANDE

Akateminen Kirjakauppa
Keskuskatu 1, P.O. Box 128
00100 Helsinki
Subscription Services/Agence d'abonnements:
P.O. Box 23
00371 Helsinki Tel. (358 0) 121.41
Telefax: (358 0) 121.4450

FRANCE

OECD/OCDE
Mail Orders/Commandes par correspondance:
2, rue André-Pascal
75775 Paris Cedex 16 Tel. (33-1) 45.24.82.00
Telefax: (33-1) 49.10.42.76
Telex: 640048 OCDE

Orders via Minitel, France only/
Commandes par Minitel, France exclusivement:
36 15 OCDE

OECD Bookshop/Librairie de l'OCDE:
33, rue Octave-Feuillet
75016 Paris Tel. (33-1) 45.24.81.67
(33-1) 45.24.81.81

Documentation Française
29, quai Voltaire
75007 Paris Tel. 40.15.70.00

Gibert Jeune (Droit-Economie)
6, place Saint-Michel
75006 Paris Tel. 43.25.91.19

Librairie du Commerce International
10, avenue d'Iéna
75016 Paris Tel. 40.73.34.60

Librairie Dunod
Université Paris-Dauphine
Place du Maréchal de Lattre de Tassigny
75016 Paris Tel. (1) 44.05.40.13

Librairie Lavoisier
11, rue Lavoisier
75008 Paris Tel. 42.65.39.95

Librairie L.G.D.J. - Montchrestien
20, rue Soufflot
75005 Paris Tel. 46.33.89.85

Librairie des Sciences Politiques
30, rue Saint-Guillaume
75007 Paris Tel. 45.48.36.02

P.U.F.
49, boulevard Saint-Michel
75005 Paris Tel. 43.25.83.40

Librairie de l'Université
12a, rue Nazareth
13100 Aix-en-Provence Tel. (16) 42.26.18.08

Documentation Française
165, rue Garibaldi
69003 Lyon Tel. (16) 78.63.32.23

Librairie Decitre
29, place Bellecour
69002 Lyon Tel. (16) 72.40.54.54

GERMANY - ALLEMAGNE

OECD Publications and Information Centre
August-Bebel-Allee 6
D-53175 Bonn Tel. (0228) 959.120
Telefax: (0228) 959.12.17

GREECE - GRÈCE

Librairie Kauffmann
Mavrokordatou 9
106 78 Athens Tel. (01) 32.55.321
Telefax: (01) 36.33.967

HONG-KONG

Swindon Book Co. Ltd.
13-15 Lock Road
Kowloon, Hong Kong Tel. 2376.2062
Telefax: 2376.0685

HUNGARY - HONGRIE

Euro Info Service
Margitsziget, Európa Ház
1138 Budapest Tel. (1) 111.62.16
Telefax: (1) 111.60.61

ICELAND - ISLANDE

Mál Mog Menning
Laugavegi 18, Pósthólf 392
121 Reykjavik Tel. 162.35.23

INDIA - INDE

Oxford Book and Stationery Co.
Scindia House
New Delhi 110001 Tel. (11) 331.5896/5308
Telefax: (11) 332.5993
17 Park Street
Calcutta 700016 Tel. 240832

INDONESIA - INDONÉSIE

Pdii-Lipi
P.O. Box 4298
Jakarta 12042 Tel. (21) 573.34.67
Telefax: (21) 573.34.67

IRELAND - IRLANDE

Government Supplies Agency
Publications Section
4/5 Harcourt Road
Dublin 2 Tel. 661.31.11
Telefax: 478.06.45

ISRAEL

Prædicta
5 Shatner Street
P.O. Box 34030
Jerusalem 91430 Tel. (2) 52.84.90/1/2
Telefax: (2) 52.84.93

R.O.Y.
P.O. Box 13056
Tel Aviv 61130 Tel. (3) 49.61.08
Telefax: (3) 544.60.39

ITALY - ITALIE

Libreria Commissionaria Sansoni
Via Duca di Calabria 1/1
50125 Firenze Tel. (055) 64.54.15
Telefax: (055) 64.12.57

Via Bartolini 29
20155 Milano Tel. (02) 36.50.83

Editrice e Libreria Herder
Piazza Montecitorio 120
00186 Roma Tel. 679.46.28
Telefax: 678.47.51

Libreria Hoepli
Via Hoepli 5
20121 Milano Tel. (02) 86.54.46
Telefax: (02) 805.28.86

Libreria Scientifica
Dott. Lucio de Biasio 'Aeiu'
Via Coronelli, 6
20146 Milano Tel. (02) 48.95.45.52
Telefax: (02) 48.95.45.48

JAPAN - JAPON

OECD Publications and Information Centre
Landic Akasaka Building
2-3-4 Akasaka, Minato-ku
Tokyo 107 Tel. (81.3) 3586.2016
Telefax: (81.3) 3584.7929

KOREA - CORÉE

Kyobo Book Centre Co. Ltd.
P.O. Box 1658, Kwang Hwa Moon
Seoul Tel. 730.78.91
Telefax: 735.00.30

MALAYSIA - MALAISIE

University of Malaya Bookshop
University of Malaya
P.O. Box 1127, Jalan Pantai Baru
59700 Kuala Lumpur
Malaysia Tel. 756.5000/756.5425
Telefax: 756.3246

MEXICO - MEXIQUE

Revistas y Periódicos Internacionales S.A. de C.V.
Floresca 57 - 1004
Mexico, D.F. 06600 Tel. 207.81.00
Telefax: 208.39.79

NETHERLANDS – PAYS-BAS

SDU Uitgeverij Plantijnstraat
Externe Fondsen
Postbus 20014
2500 EA's-Gravenhage Tel. (070) 37.89.880
Voor bestellingen: Telefax: (070) 34.75.778

**NEW ZEALAND
NOUVELLE-ZELANDE**

Legislation Services
P.O. Box 12418
Thorndon, Wellington Tel. (04) 496.5652
Telefax: (04) 496.5698

NORWAY – NORVÈGE

Narvesen Info Center – NIC
Bertrand Narvesens vei 2
P.O. Box 6125 Etterstad
0602 Oslo 6 Tel. (022) 57.33.00
Telefax: (022) 68.19.01

PAKISTAN

Mirza Book Agency
65 Shahrah Quaid-E-Azam
Lahore 54000 Tel. (42) 353.601
Telefax: (42) 231.730

PHILIPPINE – PHILIPPINES

International Book Center
5th Floor, Filipinas Life Bldg.
Ayala Avenue
Metro Manila Tel. 81.96.76
Telefax: 23312 RHP PH

PORTUGAL

Livraria Portugal
Rua do Carmo 70-74
Apart. 2681
1200 Lisboa Tel. (01) 347.49.82/5
Telefax: (01) 347.02.64

SINGAPORE – SINGAPOUR

Gower Asia Pacific Pte Ltd.
Golden Wheel Building
41, Kallang Pudding Road, No. 04-03
Singapore 1334 Tel. 741.5166
Telefax: 742.9356

SPAIN – ESPAGNE

Mundi-Prensa Libros S.A.
Castelló 37, Apartado 1223
Madrid 28001 Tel. (91) 431.33.99
Telefax: (91) 575.39.98

Libreria Internacional AEDOS

Consejo de Ciento 391
08009 – Barcelona Tel. (93) 488.30.09
Telefax: (93) 487.76.59

Libreria de la Generalitat

Palau Moja
Rambla dels Estudis, 118
08002 – Barcelona
(Subscriptions) Tel. (93) 318.80.12
(Publications) Tel. (93) 302.67.23
Telefax: (93) 412.18.54

SRI LANKA

Centre for Policy Research
c/o Colombo Agencies Ltd.
No. 300-304, Galle Road
Colombo 3 Tel. (1) 574240, 573551-2
Telefax: (1) 575394, 510711

SWEDEN – SUÈDE

Fritzes Information Center
Box 16356
Regeringsgatan 12
106 47 Stockholm Tel. (08) 690.90.90
Telefax: (08) 20.50.21

Subscription Agency/Agence d'abonnements :

Wennergren-Williams Info AB
P.O. Box 1305
171 25 Solna Tel. (08) 705.97.50
Téléfax : (08) 27.00.71

SWITZERLAND – SUISSE

Maditec S.A. (Books and Periodicals - Livres
et périodiques)
Chemin des Palettes 4
Case postale 266
1020 Renens VD 1 Tel. (021) 635.08.65
Telefax: (021) 635.07.80

Librairie Payot S.A.

4, place Pépinet
CP 3212
1002 Lausanne Tel. (021) 341.33.47
Telefax: (021) 341.33.45

Librairie Unilivres

6, rue de Candolle
1205 Genève Tel. (022) 320.26.23
Telefax: (022) 329.73.18

Subscription Agency/Agence d'abonnements :

Dynapresse Marketing S.A.
38 avenue Vibert
1227 Carouge Tel. (022) 308.07.89
Telefax: (022) 308.07.99

See also – Voir aussi :

OECD Publications and Information Centre
August-Bebel-Allee 6
D-53175 Bonn (Germany) Tel. (0228) 959.120
Telefax: (0228) 959.12.17

TAIWAN – FORMOSE

Good Faith Worldwide Int'l. Co. Ltd.
9th Floor, No. 118, Sec. 2
Chung Hsiao E. Road
Taipei Tel. (02) 391.7396/391.7397
Telefax: (02) 394.9176

THAILAND – THAÏLANDE

Suksit Siam Co. Ltd.
113, 115 Fuang Nakhon Rd.
Opp. Wat Rajbopith
Bangkok 10200 Tel. (662) 225.9531/2
Telefax: (662) 222.5188

TURKEY – TURQUIE

Kültür Yayınları İs-Türk Ltd. Sti.
Atatürk Bulvarı No. 191/Kat 13
Kavaklıdere/Ankara Tel. 428.11.40 Ext. 2458
Dolmabahçe Cad. No. 29
Besiktas/Istanbul Tel. 260.71.88
Telefax: 43482B

UNITED KINGDOM – ROYAUME-UNI

HMSO
Gen. enquiries Tel. (071) 873.0011
Postal orders only:
P.O. Box 276, London SW8 5DT
Personal Callers HMSO Bookshop
49 High Holborn, London WC1V 6HB
Tel. (071) 873.8200
Telefax: (071) 873.8200
Branches at: Belfast, Birmingham, Bristol, Edin-
burgh, Manchester

UNITED STATES – ÉTATS-UNIS

OECD Publications and Information Centre
2001 L Street N.W., Suite 700
Washington, D.C. 20036-4910 Tel. (202) 785.6323
Telefax: (202) 785.0350

VENEZUELA

Libreria del Este
Avda F. Miranda 52, Aptdo. 60337
Edificio Galipán
Caracas 106 Tel. 951.1705/951.2307/951.1297
Telegram: Librestre Caracas

Subscription to OECD periodicals may also be placed through main subscription agencies.

Les abonnements aux publications périodiques de l'OCDE peuvent être souscrits auprès des principales agences d'abonnement.

Orders and inquiries from countries where Distributors have not yet been appointed should be sent to: OECD Publications Service, 2 rue André-Pascal, 75775 Paris Cedex 16, France.

Les commandes provenant de pays où l'OCDE n'a pas encore désigné de distributeur peuvent être adressées à : OCDE, Service des Publications, 2, rue André-Pascal, 75775 Paris Cedex 16, France.

OECD PUBLICATIONS, 2 rue André-Pascal, 75775 PARIS CEDEX 16
PRINTED IN FRANCE
(22 95 01 3) ISBN 92-64-04353-5 - No. 47686 1995