

Labor, Development, and Politics

17.188J/11.414J
Mondays 9-11
Classroom: E51-393
Fall 2005

Professor Richard Locke
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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 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 in other developing countries. How do we explain these differences? What kinds of policies can be promoted to more evenly distribute the benefits of globalization? This course seeks to address these two 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
- **Research proposal:**
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.
- **Peer Memos:**
In addition to writing one's own research proposal, all students will be required to write **1-2 page memos**, containing **constructive** comments, on each others' 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

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create a vibrant and supportive intellectual community of people interested in these topics.

Readings

All required articles will be posted on the course web site. The URL for this site is: <http://stellar.mit.edu/S/course/17/fa05/17.188/>

In addition, the following two books have been ordered at the MIT Coop and will also be available on reserve in Dewey Library:

Rodrik, Dani, Has globalization gone too far? Washington, D.C.: Institute of International Economics, 1997.

Sen, Amartya Kumar, Development as freedom, New York: Knopf, 1999.

Office Hours

Professor Locke has regular office hours on Mondays 12:30-3:30 pm and by appointment. Please contact Professor Locke's assistant, Laura Gay (lgay@mit.edu) to schedule an appointment.

Class Schedule

SEPTEMBER 12: INTRODUCTION: GLOBALIZATION: PROMISE OR PERIL FOR LABOR IN DEVELOPING COUNTRIES?

Required Readings:

Dani Rodrik, Has globalization gone too far?

Recommended reading:

Paul Collier, and David Dollar, Globalization, Growth and Poverty: Building an Inclusive World Economy

Gustavo Setrini, "Wages in the Apparel Industry; What Constitutes a Decent Standard?"

Matthew Amengual, "Work Hours, Overtime, and Codes of Conduct."

SEPTEMBER 19: NO CLASS. MIT STUDENT HOLIDAY

SEPTEMBER 26 BROADENING THE DEBATE: LABOR AND DEVELOPMENT

Required Readings:

Amartya Kumar Sen, Development as freedom

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OCTOBER 3: WHAT KIND OF DEVELOPMENT?: GLOBAL VALUE CHAINS AND (VS.) LOCAL DEVELOPMENT

Required Readings:

Khalid Nadvi, "The Effect of Global Standards on Local producers: A Pakistani Case Study."

Kurt Alen Ver Beek, "Maquiladoras: Exploitation or Emancipation? An Overview of the Situation of Maquiladora Workers in Honduras"

Gary Gereffi, John Humphrey, and Timothy Sturgeon, "The Governance of Global Value Chains"

Lizbeth Navas-Alemán and Luiza Bazan, "Local Implementation of Quality, Labour, and Environment Standards: Opportunities for Upgrading in the Footwear Industry"

OCTOBER 10: COLUMBUS DAY HOLIDAY

OCTOBER 17: TRADE, DEVELOPMENT AND STANDARDS

Required Readings:

Jagdish Bhagwati, "Trade Liberalization and 'Fair Trade' Demands: Addressing the Environmental and Labor Standard Issues" ([PDF Article](#))

Rigged Rules and Double Standards: trade, globalization, and the fight against poverty

Available online at: www.maketradefair.com, ([PDF Article](#))

Recommended reading:

Dana Brown, "Challenges & Opportunities for the FLA in the post-MFA Period"

OCTOBER 24: THE DEBATE OVER STANDARDS I: MARKET AND CIVIL SOCIETY SOLUTIONS

Required Readings:

Dara O'Rourke, "Outsourcing Regulation: Non-Governmental Systems of Labor Standards and Monitoring"

Kimberly Ann Elliott and Richard B. Freeman, "White Hats or Don Quixotes? Human Rights Vigilantes in the Global Economy"

Available online at www.nber.org, ([PDF Article](#))

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César A. Rodríguez-Garavito, “Global Governance and Labor Rights: Codes of Conduce and Anti-Sweatshop Struggles in Global Apparel Factories in Mexico and Guatemala”

Richard Locke, et. al., “Does Monitoring Work?: Lessons from Nike”
(*to be distributed in class*)

Recommended reading:

Elliot J. Schrage, “Promoting International Worker Rights through Private Voluntary Initiatives: Public Relations or Public Policy?”
Available online at: www.cfr.org, [PDF Article](#), see also www.uichr.org

Matthew Amengual and Gustavo Setrini, “A Critical Look at Monitoring”

OCTOBER 31: THE DEBATE OVER STANDARDS II: WHAT ROLE FOR THE STATE?

Required Readings:

Peter Evans, “The Eclipse of the State?: Reflections on Stateness in an Era of Globalization”

Andrew Schrank, “Professionalization and Probity in the Predatory State: Labor Law Enforcement in the Dominican Republic”

Michael Piore, “Labor Inspectors” (*to be distributed in class*)

Victoria Murillo and Andrew Schrank, “With a Little Help from My Friends: Partisan Politics, Transnational Alliances, and Labor Rights in Latin America”

NOVEMBER 7: THE “OTHER” LABORERS: WORKERS IN THE INFORMAL SECTOR AND IMMIGRANT ENTREPRENEURS

Required Readings:

Ragui Assaad, “Formal and Informal Institutions in the Labor Market, with Applications to the Construction Sector in Egypt”

Alejandro Portes, “The Social Origins of the Cuban Enclave Economy in Miami”

Vittorio Capecchi, “The Informal Economy and the Development of Flexible Specialization in Emilia Romagna”

AnnaLee Saxenian, “Silicon Valley’s New Immigrant Entrepreneurs,”
Available online at: www.ppic.org, [PDF Article](#)

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NOVEMBER 14: **POSSIBLE SOLUTIONS? WORKERS INTO ENTREPRENEURS...
MICRO-CREDIT AND LOCAL ECONOMIC DEVELOPMENT**

Required Readings:

Jain Pankaj and Mick Moore, "What makes microcredit programmes effective?
Fashionable fallacies and workable realities"

Jonathan Morduch, "The Microfinance Schism"

Paul Mosley, David Hulme, "Microenterprise finance: Is there a conflict between
growth and poverty alleviation?"

Rodrigo Canales, "Weaving Straw into Gold: Enhancing Microcredit impact
through personal involvement" (*to be distributed in class*)

NOVEMBER 21: **POSSIBLE SOLUTIONS II: GLOBAL JUSTICE AND NEW FORMS OF
COLLABORATION BETWEEN STATE AND SOCIETY**

Required Readings:

Joshua Cohen and Charles Sable, "Extra Rempublicam Nulla Justitia?" (*to be
distributed in class*)

Richard Locke, "Building Trust"

NOVEMBER 28: **STUDENT PRESENTATIONS**

DECEMBER 5: **STUDENT PRESENTATIONS**

DECEMBER 12: **STUDENT PRESENTATIONS**