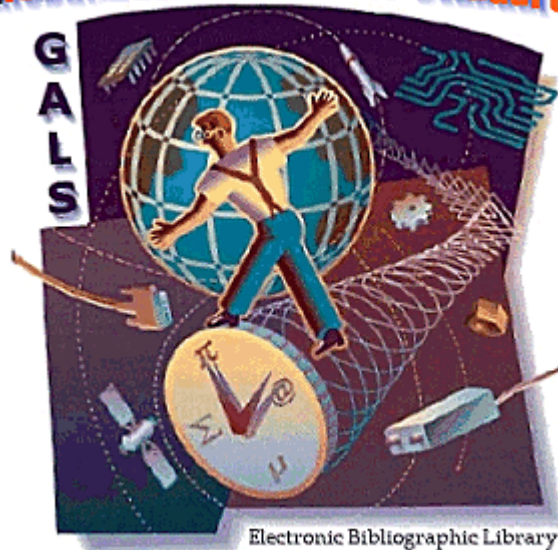


Globalization and Labor Standards



GALS Newsletter

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Industry-Specific Case Studies

Locke, Richard M. & Qin, Fei & Brause, Alberto, "Does Monitoring Improve Labor Standards? Lessons from Nike", *Industrial and Labor Relations Review* v. 61 no.3 (2007) p. 3-31

Abstract:

This article uses data from over 800 of Nike's suppliers in 51 countries to determine whether the system of "private, voluntary regulation" in place at some major multinational corporations actually promotes positive changes in the working conditions of global supply chains and, if so, under what conditions. The study first examines variations in working conditions among Nike's suppliers and then attempts to determine what factors account for the greatly varying working conditions across factories producing more or less the same products for the same brand. It also asks whether working conditions in Nike's

suppliers are improving over time. The study finds that variations in working conditions across factories appear to be the result of at least three sets of variables: (1) country effects (the government labor inspectorate's ability or inability to enforce labor laws and standards in the country in which the factory is located), (2) factory characteristics, such as the age and size of the factory (with smaller factories employing fewer than 1000 workers generally having better labor standards), and (3) the relationship between Nike and the particular supplier (whether the supplier is a strategic partner, how often Nike's non-compliance staff visit and interact with the factory, and who else is sourcing product from the same factory). The study concludes that, "despite substantial efforts and investments by Nike and its staff to improve working conditions among its suppliers, monitoring alone appears to have produced only limited results." The authors suggest that what is needed is a more systemic approach that combines both external pressure from the state, labor unions, or labor-rights NGOs with internal measures, including comprehensive, transparent monitoring systems and a variety of "management systems" interventions aimed at eliminating root causes of poor working conditions.

Subjects: [Case Studies](#), [Company-Specific Case Studies](#), [Corporate Accountability](#), [Corporate Governance](#), [Industry-Specific Case Studies](#)

Full-text links: || [WESTLAW](#) ||

McDonald, Adrian, "Through the Looking Glass: Runaway Productions and Hollywood Economics", *University of Pennsylvania Journal of Labor and Employment Law* v. 9 (2007) p. 879-984

Abstract:

This article discusses the problem of "runaway production," i.e., the production of films that were conceptually developed in the United States, but filmed elsewhere. It attributes the phenomenon to the transformation in the movie industry that has occurred over the last 50 years whereby the movie studios have become subordinate parts of multinational media conglomerates such as News Corp., Viacom, America Online-Time Warner, and Disney. The author argues that labor costs are generally not a consideration in the movement of filming from the U.S. to Canada, because Canadian labor costs are comparable to those in the U.S. Rather, he identifies other incentives such as tax breaks granted by the Canadian government as the lure for film makers. By contrast, labor costs apparently are a factor in the movement of film production within the United States, typically from the major media markets in California or New York to "right to work" states, where non-union pay and benefits are as much as 83% less than in unionized settings. The article discusses the different solutions to runaway production proposed by industry and labor groups. The Directors Guild of American and major industry groups advocate greater federal, state and local subsidies to the motion picture industry to counter the effect of Canadian tax breaks. Alternatively, the Film and Television Action Committee (FTAC), a single-issue group composed of the major Hollywood unions, city governments and businesses that depend on film production, argues that Canada's tax breaks violate U.S. trade agreements. FTAC has threatened to file a petition with the U.S. Trade Representative and the WTO.

Subjects: [Country-Specific Case Studies](#), [Industry-Specific Case Studies](#), [Trade Agreements](#), [World Trade Organization \(WTO\)](#)

Full-text links: || [WESTLAW](#) ||

International Monetary Fund

Torres, Hector R., "Reforming the International Monetary Fund--Why its Legitimacy is at Stake", *Journal of International Economic Law* v. 10 no3 (2007) p. 443-460

Abstract:

In this article, the author, who is the Alternate Executive Director of the International Monetary Fund (IMF), identifies and discusses the dynamic by which the IMF pressures less developed countries (LDCs) to lower their labor standards. Ostensibly founded to promote international trade, currency stability, and increased employment and living standards for the citizens of its member states, the IMF operates on a "quotas" system whereby the size of a country's contributions to the Fund determines the amount of influence it has in the decision making and policy of the Fund. The author argues that because wealthier countries have the "right" to contribute more to the Fund, they effectively control it - often to the detriment of the LDCs which are in need of the financial assistance of the Fund. According to the author, the disproportionate power in the IMF held by the rich lender countries means that when the Fund negotiates structural reforms by debtor countries as a condition for lending money, the Fund necessarily demands "reforms" that benefit the richer countries. The author also criticizes the IMF's double standard for enforcing financial vs. labor or employment contracts, and for reflexively "recommending" a lowering of labor standards. Although the IMF has no particular expertise in labor policy matters, it has repeatedly refused requests to consult with the International Labor Organization (ILO) before making such recommendations. Unsurprisingly, many lesser developed countries have adopted defensive protectionist strategies, including bi-lateral or regional agreements, in order to avoid the punitive conditions attached to borrowing IMF funds. The author concludes that if more thoroughgoing reforms are not implemented, the Fund will continue to suffer from ineffectiveness and a lack of credibility because of its unresponsiveness to citizens' concerns and the challenges posed by globalization.

Subjects: [Freedom of Association](#), [International Monetary Fund](#), [Labor Rights in General \(Misc.\)](#), [United Nations \(UN\)](#)

Full-text links: || [WESTLAW](#) ||

Links to Related Projects

The International Labour Organization's (ILO) Informal Economy Resource Database:
<http://www.ilo.org/dyn/infoecon/iebrowse.home>

The Informal Economy Resource Database contains a myriad of ILO activities, research or tools directly or indirectly related to the informal economy and decent work. This source is a "living" and dynamic inventory of information on labour issues relating to the informal economy, such as access to finance, data and statistics, employment, gender equality, policy, rights, social protection and working conditions. It is a valuable tool for anyone undertaking research or working on labour issues and the informal economy.

Asian Law Center: <http://www.law.unimelb.edu.au/alc/bibliography/browse.asp?s=45>

The Asian Law Centre, an initiative of the University of Melbourne Law School, devoted to the development of understanding of Asian law, offers an extensive bibliography of Asian labor law articles and reports.

Centre for Employment and Labour Relations Law: <http://www.law.unimelb.edu.au/celrl/>

Centre for Employment and Labour Relations Law is a research and teaching center devoted to the development of an understanding of labor law at the University of Melbourne. The Center's website describes the activities of the Center and contains links to several databases that are of interest to labor law scholars and practitioners. For example, the Center's Work Relations Law Project contains extensive information about Australian labor law that can be accessed directly at <http://www.austlii.edu.au/au/special/industrial/>.

ETUI Labourline: <http://www.labourline.org/Etui>

ETUI Labourline is a database of European labor information resources covering European, international and comparative aspects of industrial relations and health and safety issues, developed by the Documentation Centres of the European Trade Union Institute and the European Trade Union Institute for Health and Safety (Brussels). The consolidated bibliographic database contains more than 20,000 references to documents focusing on industrial relations, and more than 15,000 references to documents on health and safety issues.

Globalization Bulletin: <http://www.rci.rutgers.edu/~dbensman/bulletin.html>

The Globalization Bulletin is a weekly e-newsletter providing linked access to the latest articles, research, and web resources on a range of global labor issues—ranging from union organizing and labor markets to immigrations and trade agreements. The Bulletin is produced by the Globalization Task Force of the New Jersey Division of the United Nations Association-USA and the Department of Labor Studies and Employment Relations School of Management and Labor Relations, Rutgers University. To subscribe, email David Bensman at

dbensman@smlr.rutgers.edu.

Labor and Global Change Database: <http://www.ilir.umich.edu/lagn/>

The Labor and Global Change Database provides bibliographies, citation information and (where available) web links to the full text of research exploring connections between labor and globalization. The database aims to provide researchers with an easy means to make the results of their work widely available to other scholars and the interested public. The database is run by and continually updated by the Labor and Global Change Program of the University of Michigan.

LabourWeb: <http://www.lex.unict.it/eurolabor/en/>

The Labour Web is a comprehensive documentation center for information about European labor law, social law, industrial relations and the welfare state. It contains up-to-date versions of European Union law, directives, pending directives, EU news, press releases, economic statistics and decisions of the European Court of Justice. It also contains a Working Papers series and subject matter reports (dossiers) on issues concerning European integration. The site also provides links to other websites that contain working papers, statistical reports, and other information about social, economic and industrial relations affairs in the European context. It is run by the Massimo D'Antona Centre for the Study of European Labour Law, at the Faculty of Law of the University of Catania.

The Marco Biagi Centre for International and Comparative Studies:
<http://www.csmb.unimo.it>

The Marco Biagi Centre for International and Comparative Studies at the University of Modena and Reggio Emilia, Italy, functions as policy resource center on comparative labor issues. Besides publishing books and law journals, the Center provides a clearinghouse of international law journals, including the International Journal of Comparative Labour Law and Industrial Relations (<http://www.csmb.unimo.it/journal.html>). Currently only in Italian, the Center's website will soon offer an English version.

Trade Unions and Labor Relations Database: <http://www.polwiss.fu-berlin.de/tu/english/>

The database, produced by the Institute of Labor Relations of the Otto-Suhr-Institute of the Freie University of Berlin, contains almost 7,000 citations of books, articles, working papers, brochures, proceedings etc. The bulk of the citations address aspects of labor relations in Germany, but there is a substantial body of literature in the database covering the EU and Eastern Europe.

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