

<b>Title</b>	<b>Globalization, Wages, and the Quality of Jobs FIVE COUNTRY STUDIES</b>
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<b>Brief Introduction</b>	<p style="text-align: center;"><b>Preface</b></p> <p>Since the early 1990s, most developing economies have become more integrated with the world's economy. Barriers to trade and foreign investment have been lifted, and international trade agreements have been signed. These reforms have led to important changes in the structures of these economies. The labor markets had to adjust to these major changes, and workers have been required to adapt.</p> <p>An important research program was launched within the Social Protection Unit of the World Bank to understand the impact that these profound structural changes have had on workers in developing countries. In popular culture, especially in developed countries, globalization is often associated with unfair competition from sweatshops with lower ethical and safety standards. High-profile news coverage of poor working conditions in overseas operations of multinational enterprises has tended to confirm these views. While exposing these poor working conditions is necessary, it is also important to assess whether they represent isolated cases or a broader pattern in developing countries.</p> <p>The empirical literature that exists, although vast, does not lead to a consensus view on the eventual impact of globalization on labor markets. While a significant number of studies found rising wage inequality following trade liberalization, recent examples (for example, Brazil and Mexico) complement early work that documented falling wage inequality in East Asian countries. Further research on this important issue is therefore needed to disentangle the conflicting results. In addition, one weakness of this literature is the little attention devoted to working conditions.</p> <p>Understanding the effects of globalization is critical for policy makers concerned about employment and working conditions. Governments have and do play a role in designing social policies that help workers through these changes. However, given the current conflicting state of the literature, designing effective social policies is challenging.</p> <p>To tackle these issues, the research program took a three-pronged approach:</p> <ul style="list-style-type: none"> <li>• Undertaking a critical survey of the literature on the impact of changes in trade policy, foreign direct investment (FDI) exposure, and increasing competition from multinational firms on job creation and the conditions of employment</li> <li>• Building a new analytical framework to carry out country studies</li> <li>• Applying the framework to lower-middle-income countries.</li> </ul> <p>This book presents the findings and insights of this research program. In particular, it shows how similar the experiences of low-income countries have been with globalization. It suggests that low-income countries' working conditions have improved in the sectors exposed to globalization. However, it also shows that the sustainability of these improvements and their positive effects on the rest of the economy are unclear.</p>