Homework 4 (mini)

Please answer the questions below. Total available points are 10. Show all work and briefly explain all answers when necessary. This homework is due on Monday, September 27, at the beginning of the class hour. Please be sure to indicate submission time and date on your homework.

You need to turn in written answers to only two of the written questions. For the rest of the questions simply come to class prepared to answer them. I encourage you to prepare written answers in bullet points. Highlighting the relevant parts of the paper and trying to read from them during the class discussion is not conducive for effective participation. Well-structured answers presented in a swift fashion will immensely add to the class atmosphere. Please keep this mind. Your cooperation is greatly appreciated and will be rewarded! Thanks.

Part 1. Labor Standards


In this section Part 1 please answer only question 5.

1. What is the argument for labor standards? Who argues for these standards and why?
2. What is the argument against labor standards? Who argues against labor standards and why?
3. Discuss the feasibility of imposing some international standards such as minimum wages, basic health care and banning child labor.
4. Given that broad based standards do not appear to be implementable, can we consider some core standards instead.
5. It is often claimed by the developing countries that increasing labor standards will raise their costs and negatively affect export performance. What do empirical studies say along these lines? Is there a negative correlation between the share of exports in GDP and labor standards? Are there any other more sophisticated studies?
6. What is the problem of “race to the bottom” in the context of labor standards in the South?
7. Could the race to the bottom problem be avoided if all developing countries simultaneously increase labor standards to an initially agreed upon level.

Part 2. Child Labor

** Basu, Kaushik “International labor standards and child labor” Challenge, Armonk; Sep/Oct 1999; Vol. 42, Iss. 5; pg. 80, 14 pgs (available on line, simply type the title in quotations using www.google.com)

In this section Part 1 please answer only question 3.

1. Can product labeling be an effective policy to curb the incidence of child labor?
2. What is the third approach suggested by Basu? Explain in detail and evaluate its effectiveness.

3. Is there a role for the Western society or multinationals to improve labor standards in the South?