This chapter examines the effect of international trade on labor conditions around the world. Evidence developed in the chapter shows that open trade policies improve working conditions by raising per capita income, as international trade theory predicts. Countries with open trade policies also have superior labor rights, and labor rights improve over time in countries that adopt open trade policies. In the short run, trade clearly enhances the working conditions of workers in export industries (including those working in export processing zones) but threatens the conditions of workers whose companies compete with imports. The evidence shows that with the passage of time, all workers benefit by moving into more productive employment settings. The evidence in this chapter implies that trade sanctions are likely to worsen labor conditions in target countries.

This short note, published in Metroeconomica 13 (1961), begins with the assumption that the preferences of the consumer exhibit linear Engel curves, which were shown in ‘Community preference fields’ (Ch. 15)
to be necessary for the existence of a community indifference map. Engel curves are curves showing the relationship between income level and spending on the consumption of some good, at a given price, and linear Engel curves crop up in several branches of economics. The note explores some of the properties of the preference fields in which linear Engel curves arise, and, in particular, of those in which the marginal propensity to consume each good is an absolute constant. The preference fields are characterized by closed-form representations in terms of both the indirect utility function and the cost function. An application to international trade theory is discussed.

Praxis
Neil M. Coe and Henry Wai-chung Yeung

in Global Production Networks: Theorizing Economic Development in an Interconnected World

Published in print: 2015 Published Online: May 2015
Publisher: Oxford University Press
Item type: chapter

Looking forward, the theory development in this book is intended to stimulate and inform a longer-term theoretical-cum-empirical research programme in the social sciences. This final chapter moves from theory to praxis. It demonstrates how GPN 2.0 offers several distinct advantages over the understandings of global economic change embodied within the GVC research agenda, studies of varieties of capitalism and comparative institutionalism, and economic models premised on international trade theory. The aim is to distil the value added that may accrue from mobilizing the kind of theoretical approach developed in this book. Finally, the chapter delves into the politics and practice of adopting the GPN perspective as an analytical tool for use by development policymakers at different spatial scales.