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- 1 [The imprudence of labour market flexibilization in a fiscally austere world](#)
Jeronim CAPALDO and Alex IZURIETA

This article assesses the effects of combining fiscal austerity with policies aimed at reducing labour costs and, in doing so, sheds new light on current policy debates. Taking a global perspective, the authors explore the aggregation problem by proposing a stylized analytical macro-model with explicit distribution dynamics. In this framework, flexibilization policies that suppress the labour share trigger global feedbacks that result in a downward spiral, with contraction even in export-led economies. The initial gains of more competitive economies are shown to be ephemeral. In the long term, the world economy is essentially wage-led and responds positively to coordinated Keynesian stimuli.

KEYWORDS: LABOUR FLEXIBILITY, EMPLOYMENT, EMPLOYMENT SECURITY, LABOUR COST, LABOUR DEMAND, OECD COUNTRIES.

- 27 [Measuring labour absorption problems in developing countries: Limitations of the concept of unemployment](#)
Ndongo Samba SYLLA

The “standard” unemployment rate is often criticized for omitting large numbers of people who are classified as employed or as not economically inactive, when in fact their situation amounts to unemployment. The author discusses the limitations of this standard definition for developing countries. After reviewing the methodological and statistical problems posed by the standard rate, he looks at the reality behind the words in contexts where the labour market is highly segmented. He shows that the standard unemployment rate underestimates excess labour supply and is a poor indicator of the Decent Work deficit, and considers its limitations in guiding economic policy.

KEYWORDS: UNEMPLOYMENT, LABOUR DEMAND, DEFINITION, DATA COLLECTING, ROLE OF ILO, DEVELOPING COUNTRIES.

- 43 [Sex segregation in India's formal manufacturing sector](#)
Molly CHATTOPADHYAY, Sonali CHAKRABORTY and Richard ANKER

Using an index of dissimilarity based on data from the Annual Survey of Industries for 1989/90 and 2000/01, the authors find that sex segregation across India's so-called factory sector decreased over this period. Most of the apparent improvement, however, was due to changes in the industrial structure of employment, not desegregation per se. The index is also sensitive to the number of industries in the underlying classifications. At the national and state levels, women effectively have very limited formal job opportunities: they are highly concentrated in a small number of traditional "women's" manufacturing industries, such as food, tobacco, apparel, weaving and spinning.

KEYWORDS: WOMEN WORKERS, EQUAL EMPLOYMENT OPPORTUNITY, INDUSTRY, SURVEY, DATA COLLECTING, METHODOLOGY, TREND, INDIA.

- 59 [Who will give effect to the ILO's Maritime Labour Convention, 2006?](#)
Francisco PINIELLA, José María SILOS and Francisca BERNAL

The Maritime Labour Convention, 2006, which takes effect on 20 August 2013, consolidates dozens of ILO standards adopted since the 1920s. It has been described as the "fourth pillar" of the international maritime regulatory regime, alongside three major IMO Conventions on safety at sea and marine pollution control. The challenge, the authors argue, will be to enforce it within the existing inspection frameworks of flag State implementation and "port State control". Technically, the responsibility rests on the former, but the proliferation of flags of convenience suggests that the latter will have a crucial part to play too, as will, in either case, inspector training.

KEYWORDS: MERCHANT MARINE, SEAFARER, FLAGS OF CONVENIENCE, IMO, INTERNATIONAL LAW, ILO CONVENTION, COMMENT, APPLICATION, HISTORY.

- 85 [Labour provisions in preferential trade agreements: Current practice and outlook](#)
Jean-Marc SIROËN

While the WTO and Doha Development Round do not deal with labour issues – they leave this to the ILO – the main countries that conclude free trade agreements incorporate labour provisions, which vary in terms of stringency. Sanctions are rarely used, and fears that "social clauses" would serve protectionist purposes have proved to be unfounded. Labour provisions are designed to meet a variety of sometimes conflicting goals, by means of different mechanisms aimed at improving labour practices and promoting Decent Work; the author makes a number of suggestions in this regard.

KEYWORDS: FREE TRADE, TRADE AGREEMENT, INTERNATIONAL AGREEMENT, DECENT WORK, SOCIAL IMPLICATION, GATT, WTO, ILO ROLE.

Notes and debates

- 107 [Economic growth and inequality: Minimum wage for Singapore](#)
Weng Tat HUI

In the context of Singapore's ageing population, the employment of large numbers of low-skilled foreign workers is proving to be a major challenge to inclusive growth because of the stagnation of low-wage workers' incomes. In order to address this problem, the author makes the case for introducing a minimum wage to complement existing in-work benefit schemes. After addressing the commonly voiced objections to a minimum wage system, he suggests ways in which a minimum wage could be implemented in Singapore. New measures to enhance the social safety net and foster more sustainable economic growth are also proposed.

KEYWORDS: LOW INCOME, MINIMUM WAGE, WAGE DIFFERENTIAL, MIGRANT WORKER, WAGE POLICY, ECONOMIC DEVELOPMENT, SINGAPORE.

- 125 [Statutory leave entitlements across developed countries: Why US workers lose out on work–family balance](#)
Richard N. BLOCK, Joo-Young PARK and Young-Hee KANG

Using a composite index of legal provisions for annual and family leave in western Europe, the United States, Canada, Australia, Japan and the Republic of Korea, the

authors rank legislative support for this aspect of work–family balance. The United States ranks last: its employers are not required to grant annual leave and employees can take no more than 12 weeks’ family leave per year. The United States’ comparatively low labour standards, the authors argue, may be due to the dominance of a market-based conception of employment and the assumption of equal employer–employee bargaining power, neither of which is fully shared by the other industrialized democracies.

KEYWORDS: PAID LEAVE, LABOUR LEGISLATION, COMMENT, WORK LIFE BALANCE, AUSTRALIA, EU COUNTRIES, CANADA, JAPAN, KOREA R, USA.

145 [Coping with the unemployment crisis in Europe](#) Hedva SARFATI

Since the 1970s, Europe has been plagued by a chronic unemployment crisis, which has escalated with the current Great Recession. The author discusses a number of relevant elements in this regard, including the extent to which social dialogue and social pacts have been successful in reforming labour markets and pension systems, the effect of active labour market policies and the characteristics of “resilient” economies. She concludes with the need to rethink social dialogue, social safety nets, the granting of loans – especially to SMEs – and the coordination of macroeconomic policies to increase labour demand.

KEYWORDS: EMPLOYMENT, UNEMPLOYMENT, LABOUR DEMAND, SOCIAL DIALOGUE, SOCIAL PROTECTION, ECONOMIC RECESSION, TREND, EU COUNTRIES.

Book reviews

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[Gender, law and justice in a global labour market](#), by Ann STEWART
Reviewed by Judy FUDGE

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