

In defence of labour market institutions. Cultivating justice in the developing world.

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"This is a timely volume on a critically important topic. Berg and Kucera and their contributors challenge the conventional wisdom that excessive labor market regulation retards growth and development, and that developing countries in particular can ill afford the level of such regulation that they have taken on. Taken as a whole, the papers make a compelling case for skepticism about this conventional wisdom. The volume provides a vital survey of the state of regulatory institutions in the developing world and the main empirical, theoretical, and normative arguments about the alleged regulation/growth tradeoff."

Professor Chris Tilly, Department of Regional Economic and Social Development and Center for Industrial Competitiveness, University of Massachusetts, Lowell

Since the early 1990s there has been heated debate on the merits of labour market institutions, regulations and policies and their economic costs. This volume offers a valuable contribution to this debate by examining the merits of labour market institutions from the perspective of developing countries. Leading experts in the field offer insightful analysis on how different labour market institutions – labour administration, trade unions, minimum wages, training and unemployment insurance – affect work in these regions.

The book addresses some of the positive benefits of labour market institutions, offering an understanding of why formal regulations and policies were implemented and how informal values and norms also influence the workings of the labour market, while at the same time analysing the economic effect that these institutions can have. The analysis also sheds light on conceptual and methodological questions associated with the labour market flexibility debate.

The study aims to counter the prevailing view that labour market institutions are equated with labour market rigidity, and offers economic and social reasons for maintaining certain policies and standards, differentiating between the needs and challenges of countries with varying levels of income.