

THE NEW OFFSHORING OF JOBS AND GLOBAL DEVELOPMENT

Gary Gereffi
Duke University

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Global outsourcing has triggered a debate about the benefits and costs of globalization for developing as well as developed countries. Some claim that offshore production in both the manufacturing and service sectors been extremely beneficial because it promotes economic efficiency and it spreads the gains of globalization to poorer, less developed, export-oriented countries. But others argue that global outsourcing has led to a “race to the bottom” as developing economies struggle with one another to offer transnational companies the lowest operating costs, and the wages and benefits for workers in industrialized economies are under constant downward pressure because of the realities of global competition. The ILO’s 7th Nobel Peace Prize Social Policy Lectures on “The New Offshoring of Jobs and Global Development” address these arguments with bold new research on the most powerful countries and firms in the global economy.

The initial lecture provides an overview of the contemporary global labor market, and it highlights the great global job shift that affects production, service, and knowledge workers alike. A new typology of jobs is offered based on skills and position in global value chains, rather than type of industry. In the second lecture, the trend toward increasing consolidation in the global economy is explored from both the vantage point of both countries and industries. China and India are among the main beneficiaries of this consolidation trend at the level of countries, and they raise concerns not only for workers in the advanced industrial economies, but also for the future of labor-intensive jobs in developing economies that must compete with China and India. The textile and apparel industry, which has generated more manufacturing jobs in developing countries than any other, is examined in detail to see how the removal of quotas on January 1, 2005 is likely to affect jobs in the many developing countries that were significant clothing exporters in the previous decades. The third and final lecture examines the interplay between public and private governance in the global economy, with a particular emphasis on corporate codes of conduct that are intended to improve labor conditions and workers rights. Are these codes of conduct effective? Why have they spread so rapidly? What is the role of national governments and international organizations in enforcing labor codes and promoting worker rights in an era of expanded private governance?

Gary Gereffi’s research deals with social and environmental certification in global industries, the competitive strategies of global firms, and industrial upgrading in East Asia and Latin America. He is a professor in the Sociology Department at Duke University in Durham, North Carolina, USA, and Director of the Center on Globalization, Governance, and Competitiveness at Duke University.