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213 Linking jobs in global supply chains to demand

Takaaki KIZU, Stefan KÜHN and Christian VIEGELAHN

The expansion of global supply chains (GSCs) has increasingly disconnected the location of jobs from the demand supporting them, both geographically and in terms of sector. Using data from the World Input–Output Database, the authors examine these linkages across 40 countries over the period 1995–2013, expanding on earlier analysis published by the ILO, and provide evidence of the number of GSC-related jobs in terms of job location–export destination combinations. Their findings point to changing patterns in demand and supply of GSC-related jobs, increasing the role of China as a demand generator, reinforcing production linkages between emerging economies and increasing the number of service jobs dependent on manufacturing GSCs.

KEYWORDS: VALUE CHAINS, LABOUR DEMAND, PRODUCTION NETWORKS, LABOUR MARKET ANALYSIS, TREND.

245 Oversight and accountability in the social auditing industry: The role of social compliance initiatives

Carolijn TERWINDT and Amy ARMSTRONG

The 2013 Rana Plaza collapse led to increased awareness of abusive working conditions in the garment industry. Much attention has since been paid to the role and responsibility of retailing companies. The responsibility of social auditing companies, however, has often been overlooked. The authors investigate the systems in place to detect and address substandard auditing that fails to detect violations of workers' rights. They find that, in practice, oversight of social auditors and sanctions for substandard audits are both limited. In this light, this article explores how social compliance initiatives can play a role in improving verification of audit quality and ensuring accountability.

KEYWORDS: SOCIAL AUDIT, SOCIAL RESPONSIBILITY, SANCTION, WORKING CONDITIONS, BANGLADESH, PAKISTAN, CASE STUDY.

Migrant earnings gaps in Gulf Cooperation Council countries: Employers' perceptions or opportunity costs?

Usamah F. ALFARHAN and Samir AL-BUSAIDI

This article discusses earnings differentials among skilled Western, Arab and Asian migrants, who constitute most of the private sector labour force in Gulf Cooperation Council (GCC) countries, during the period 2012–14. Using two standard decomposition methodologies, it investigates the view that Westerners are paid premium rates due to the unobserved perceptions of private employers. The results indicate that while one third to three-quarters of real hourly earnings differentials are attributable to differing observed levels of productivity-related characteristics, the remainder are due to the incorporation of higher opportunity costs for Westerners into the bargaining process. The potential effect of unobserved perceptions is found to be irrelevant to observed earnings differentials.

KEYWORDS: WAGE DIFFERENTIAL, MIGRANT WORKER, STATISTICAL ANALYSIS, GULF STATES, COMPARATIVE STUDY, TREND.

Minimum wage violation in central and eastern Europe

Karolina GORAUS-TAŃSKA and Piotr LEWANDOWSKI

This article analyses minimum wage violations over the period 2003–12 in ten central and eastern European countries which all have national statutory minimum wages. Using European Union Statistics on Income and Living Conditions (EU-SILC) data and the methodology proposed by Bhorat, Kanbur and Mayet (2013), the authors measure the incidence and depth of violation. In addition, they conduct regression analyses on individual, workplace and macro-level determinants of non-compliance. While the incidence of violation remains relatively low, the workers that minimum wage policies seek to protect appear to be the most likely to be affected by non-compliance. Over time, higher minimum to average wage ratios are related to a higher incidence of violation.

KEYWORDS: MINIMUM WAGE, VIOLATION, MEASUREMENT, WAGE POLICY, EU COUNTRIES, EASTERN EUROPE, BULGARIA, CROATIA, CZECH REPUBLIC, ESTONIA, HUNGARY, LATVIA, LITHUANIA, POLAND, ROMANIA, SLOVAKIA, SLOVENIA, COMPARATIVE STUDY, TREND.

Accounting for the permanent vs temporary wage gaps among young adults: Three European countries in perspective

Andrea REGOLI, Antonella D'AGOSTINO,
Thomas GRANDNER and Dieter GSTACH

This article analyses wage differentials between permanent and temporary workers in the 25–40 age bracket using the 2010 European Union Statistics on Income and Living Conditions (EU-SILC) wave data for France, Germany and Italy. Applying a Recentered Influence Function (RIF) regression and a reweighting estimation technique, the authors investigate the contribution of personal and job characteristics to wage differentials across the wage distribution. The results point to a large unexplained component of the wage gap across the whole distribution in Italy, while this component is weaker in France among highly paid employees and insignificant in Germany. These findings highlight potential policy considerations and areas for future research.

KEYWORDS: WAGE DIFFERENTIAL, CONDITIONS OF EMPLOYMENT, YOUNG WORKER, TEMPORARY WORKER, WESTERN EUROPE, FRANCE, GERMANY, ITALY, COMPARATIVE STUDY, STATISTICAL ANALYSIS.

The plutocratic bias in the Indian consumer price index

Dilip M. NACHANE and Aditi CHAUBAL

Studies have found a plutocratic bias in the traditional Laspeyres-type consumer price index (CPI), attaching greater importance to expenditure by rich households compared to the poor, while the democratic CPI attaches equal weight to all. The authors calculate the democratic index and estimate the plutocratic bias for the new Indian CPI (launched in 2012), the rural and urban CPIs, and the CPIs of three Indian states from 2012 to 2015. They further develop democratic indices for commodity groups and separate indices for three expenditure

brackets. The biases found against less developed states and the poorer sections of the population have important implications for monetary policy and indexation of transfer payments.

KEYWORDS: CONSUMER PRICE INDEX, INCOME DISTRIBUTION, WEALTH, LOW INCOME, MONETARY POLICY, TREND, INDIA.

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To work or not to work: Variables affecting non-financial employment commitment over time

Moshe SHARABI and Itzhak HARPAZ

The most common indicator of non-financial employment commitment (NFEC) is the “lottery question” – whether a person would continue working if they won a lottery. This cross-sectional research seeks to identify the demographic variables and the “meaning of work” dimensions that could predict individual NFEC, presenting the main international findings over time, with particular reference to data collected in Israel in 1981, 1994 and 2006. The authors’ findings point to a marked decrease in NFEC in the new millennium and a change in its predictors over time. The findings and their implications for work and employment are examined in the light of social and economic changes in Israel.

KEYWORDS: WORK, MOTIVATION, WORK ATTITUDE, JOB SATISFACTION, ISRAEL, RESEARCH, TREND.