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ARTICLES

Good for the Goose, Bad for the Gander: International Labor Standards and Comparative Development

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Abstract The international labor rights movement, led by the International Labour Organization (ILO), asserts that developing countries are currently ready for more stringent labor standards. We investigate this claim by examining the timing of labor standard adoption in highly developed countries, which were all once as poor as today's developing countries and made the trade-off between labor standards and income in the past. Their experience therefore suggests a safe income threshold for adopting similar labor standards in the developing world. We find that every ILO-proposed labor standard is highly premature for the developing countries of Sub-Saharan Africa. Countries there are between 100 and 300 years from reaching this threshold. Similarly, we find that so-called sweatshop-intensive developing countries are between 35 and 100 years from this threshold. ILO-proposed policy is exactly backward. A substantial relaxation of labor standards is the appropriate labor policy for the developing world.

Keywords International labor standards · Comparative development · Sub-saharan Africa · Sweatshop

Introduction

In the summer of 2003 one of us traveled to Romania for USAID.[1] In a meeting with one of then-President Iliescu's economic advisors the discussion turned to why Romania, which remains among the least developed transition countries, continues to languish in poverty. The Romanian advisor expressed the following frustration: Romanian tax policy more or less copies the tax policy of the United States. The U.S.

[1]This project was conducted by Leeson and Chris Coyne through the Mercatus Center at George Mason University.

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is prosperous, so why doesn't imitating American policy result in prosperity for Romania?

The advisor's logic seems reasonable: What's good for the goose should also be good for the gander, and perhaps this is true for countries at the same stage of development. But countries at very different stages of development are another matter. At the time of this conversation Romanian GDP per capita (PPP) was about $3,167, a sum equal to American per capita income in 1887. Developmentally, the U.S.-equivalent of modern Romania is America 120 years ago, not America today. In 1887 America had no income tax, redistribution was not a goal of tax policy, and the taxes that were levied consumed a substantially smaller proportion of GDP. The reason for this is straightforward: In 1887, America's 2001 tax structure would have been too costly for the immature U.S. economy to afford. But why then would it be affordable for modern Romania?[2]

Economic policies that promote equity or other humanitarian concerns generally involve an income trade-off. Existing research finds that most labor standards fall into this category (Busse 2002a, b; Mah 1997; Kuruvilla 1996; Rodrik 1996; Botero et al. 2004). A country can, for example, impose maximum-work-hour legislation, which mandates more leisure. But doing so is costly to output and entails foregoing the additional income that could be earned without this standard. Although there is some debate about how much labor standards reduce income, among economists at least, there is broad consensus that demand curves slope downward[3] Raising the cost of labor through more stringent standards, particularly in developing countries where productivity is very low, leads to less employment, production, and income (Stern and Terrell 2003). This largely explains why richer countries exhibit higher "core" labor standards than poorer ones (Busse 2004). Richer countries can better afford the income trade-off these standards entail. In their recent paper on child labor, Edmonds and Pavcnik (2005) make a similar point by showing that child labor is a symptom of poverty, not its cause.[4] Krueger (1997), for instance, finds that child labor does not disappear from an economy until it has reached an average income of $5,000. Very poor countries must rely heavily on child labor merely to survive. Very rich countries, in contrast, can afford to send children to school instead of factories.

Although existing research establishes a trade-off between labor standards and income, it begs the question of when a country is "rich enough" to make this trade-off without serious consequences. This question is critical to the heated debate over international labor standards for two reasons. First, adopting labor standards prematurely could be counterproductive for an immature economy. To get a sense of this one needs only to imagine what a binding prohibition on child labor would have meant for the first American colonists, who relied heavily on child labor on farms for their subsistence (Whaples 2005). Second, for humanitarian reasons, many

[2] When this point was brought to the advisor's attention, he became indignant and began cursing the researchers.

[3] For a summary of the debate over international labor standards see Brown's (2000) excellent piece. For some studies examining how labor standards affect trade see, for example, Rodrik (1996), OECD (1996), Aggarwal (1995), and Busse (2002a, b). On the effect of labor standards on issues other than trade see, for instance, Terrell and Svejnar (1989) and Heckman and Pages (2000).

[4] For a superb investigation of sweatshop labor and wages see Powell and Skarbek (2006).

believe that developing countries should not delay the strengthening of their labor standards, since every moment past this point is one under deplorable work conditions that could have been avoided.

At the center of the international labor standards dispute are the International Labour Organization and other labor rights activists pushing for the imposition of U.S.-level labor standards throughout the developing world. Powerful labor interests in the developed world have also joined this movement. The AFL-CIO, for instance, has joined forces in support of the ILO and initiated a "Campaign for Global Fairness" that promotes its goals (AFL-CIO 2006a, b). They claim that developing countries can already afford the more stringent labor standards of the developed world. As one advocate of such standards put it, "labour standards will raise standards of living and rates of growth in both the developed and developing worlds" (Palley 2004: 22). In this view, the developing world is currently "ready" to trade-off higher income for higher labor standards.

We investigate this issue by examining the timing of labor standards in highly developed countries, which at one time were as poor as today's developing countries. Furthermore, all safely made the trade-off between labor standards and income at some point in their past. Their experience therefore suggests a safe income threshold for adopting similar labor standards in the developing world. Our analysis focuses mainly on the U.S. and Sub-Saharan Africa. The U.S. was in sync with the rest of the highly developed world in the timing of major labor standards, and in some cases initiated new labor standards. The U.S. thus provides a useful developed-world benchmark for labor standard timing. Sub-Saharan Africa contains the world's largest concentration of LDCs, and the problems there are in many ways typical of those in other developing countries, making it an ideal region for our analysis. Additionally, we examine the issue of labor standard adoption in so-called sweatshop-intensive countries in Asia and elsewhere. These countries are an important, but separate, class of developing nations also under pressure to increase labor standards.

We find that developing countries in Sub-Saharan Africa are far from wealthy enough to safely trade higher labor standards for lower income. These countries are between 100 and 300 years from reaching the threshold the U.S. had reached when it adopted various labor standards. Similarly, we find that stricter labor standards, including restrictions on child labor, are highly premature for nearly all sweatshop-intensive developing nations. The average sweatshop-intensive country is between 35 and 100 years from reaching this threshold. The ILO's policy proposals are exactly reverse of those required for sustainable, long-run improvement in developing world labor conditions. A substantial relaxation of existing labor standards is the appropriate labor policy for these countries.

"A Brief History of International Labor Standards" provides a brief overview of the history of international labor standards. "Which Standards When?" examines the timing of labor standards in the U.S. and other highly developed countries. "Are Developing Countries Ready for Higher Standards?" calculates how many years Sub-Saharan Africa and sweatshop-intensive countries are from reaching the development threshold met by the U.S. when it adopted various labor standards. "Concluding Remarks" concludes with some brief thoughts on current labor law in Sub-Saharan Africa and the issue of imitation and economic development.

A Brief History of International Labor Standards

The movement for international labor standards dates back at least two centuries. Engerman (2003) attributes the beginning of this movement to the writings of the early nineteenth century socialist Robert Owen. Several conferences on labor standards were held throughout Europe in the mid- to late 19th century but achieved little success. However, this does not mean that individual countries did not raise labor standards. Great Britain was the first country to enact major labor legislation with the passage of the English Factory Act in 1802 (Brown 2001).[5] In the United States, the first non-slavery labor standard appeared in Massachusetts in 1842 when a 10-h maximum was created for child laborers under 12. Around the same time, other European countries such as Germany, France, Hungary, and Austria enacted their first labor standards.

The development of labor standards in the nineteenth century occurred with virtually no international coordination. Not until the early 20th century did countries begin to negotiate bilateral agreements pertaining to labor issues. Prior to World War I these agreements were almost exclusively related to migrant labor. Only one involved the harmonization of a labor standard between countries (Engerman 2003). A coordinated international labor standards movement did not begin until the formation of the International Labour Organization in 1919. The ILO arose from the Treaty of Versailles and consists of a tripartite commission of government, labor, and business interests, which initially included 44 member countries on four continents. In 1946 it became the first specialized agency of the United Nations and today has 178 members on six continents.

The ILO's prominence in the current battle over international labor standards stems from its position as the definer and "enforcer" of core labor standards throughout the world. "Core" labor standards are those considered so basic and universal that according to the ILO (2006b) "they apply to all people in all States—regardless of the level of economic development." The ILO defines these standards based on the following four principles: (1) freedom of association and the effective recognition of the right to collective bargaining (Convention Nos. 87 and 98); (2) the elimination of all forms of forced or compulsory labor (Convention Nos. 29 and 105); (3) the effective abolition of child labor (Convention Nos. 138 and 182); and (4) the elimination of discrimination with respect to employment, remuneration, and occupation (Convention Nos. 100 and 111).

In practice, core labor standards encompass those described as the ILO's objectives in the preamble to its Constitution, including "the regulation of the hours of work including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when

[5] There is some dispute whether the 1802 Factory Act represented true factory legislation or was merely an extension of existing poor laws (Walker 1941). This argument does not change the fact that Great Britain would still be the first country to pass a major piece of labor legislation, even if this interpretation were correct, as a second Factory Act was passed in 1819.

employed in countries other than their own, recognition of the principle of equal remuneration for work of equal value, recognition of the principle of freedom of association, [and] the organization of vocational and technical education and other measures" (ILO 2006c).

The ILO tries to achieve these standards in two ways. The first is through international conventions. As of 2006 the ILO (2006a) had convened 186 conventions covering various issues such as women working after dark and holidays with pay. Not all ILO members are required to ratify each convention, though the ILO advocates the ratification of all conventions. Since the ratification of a convention by a member government makes it law in the ratifying country, many countries do not ratify conventions even when they agree, and already generally comply, with the terms of the convention. The U.S., for example, has ratified fewer than fifteen of the 186 conventions, in part because many of its labor issues are powers delegated to the states (Maskus 1997).

The second way the ILO tries to achieve these standards is through the publication and dissemination of information on labor standard violations. The ILO uses peer pressure to leverage changes in labor standards in nations viewed as noncompliant with ratified conventions. This is important since the ILO has no official authority to impose sanctions on standard-violating countries. Any one of the tripartite representatives from a member country can file a complaint that is then investigated by the ILO, which afterward publishes its findings. Most complaints come from labor organizations in advanced democratic countries about employer or government practices rather than from parties in developing countries regarding human rights abuses. This has led some to criticize the process for focusing attention away from basic human rights and instead empowering special interests to create pressure for protectionist policies under the guise of labor rights (Maskus 1997).

The failure of current methods to achieve universal adoption of core labor standards has led the ILO and other labor activists to suggest formally linking the World Trade Organization (WTO) to the ILO so that trade policy can be used as an enforcement tool (Brown 2001). This suggestion is not new. Since the early nineteenth century there has been concern that international trade creates a prisoners' dilemma situation between countries, i.e., to avoid the competitive disadvantage of increasing costly labor standards, no nation enacts the standards, though all would prefer to do so.[6] The feared result is a "race to the bottom" in which labor rights are universally unprotected (see, for example, Singh and Zammit 2004). According to the ILO Constitution (2006c), "the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries."

The developing world is especially problematic in this regard from the ILO's perspective for two reasons. First, developing countries are home to the greatest labor rights abuses in the world. They use more child labor, have fewer laws against labor-related discrimination, lower minimum wages, and less overall protection of

[6] As the French economist, Jerome Blanqui, lamented this problem in the early nineteenth century: "There is only one way of accomplishing it [international labor standards] while avoiding disastrous consequences: this would be to get it adopted simultaneously by all industrial nations which compete in the foreign market" (quoted in Leary 1996: 184).

core standards than any other countries. Second, developing countries have been the most resistant to adopting core labor standards, contributing to the prisoners' dilemma situation the ILO fears will produce a "race to the bottom." Together, these factors have created a powerful need in the eyes of the ILO to compel developing countries to mimic the developed world on their labor standards.

Which Standards When?

The United States did not introduce national labor standards until well into the twentieth century. Its first federal labor standards (apart from abolishing slavery and indentured servitude) appeared in 1935 when the Wagner Act, which created mandatory collective bargaining, and the Social Security Act, which initiated state-provided retirement, were passed. The federalist structure of the U.S. complicates this picture somewhat. But state-made labor laws, which sometimes appeared before national law, were necessarily limited in effect. For instance, the first (non-slavery) labor law in the U.S. restricted the use of child labor in Massachusetts in 1842. However, this and other state laws restricting child labor between 1842, and the introduction of the first federal law prohibiting child labor in 1938 affected the use of child labor nationally very little (Moehling 1999).

Child labor was an important problem in the U.S. through the beginning of the twentieth century, so state standards restricting the practice were likely weak. Indeed, in 1900 over a quarter of the male population between the ages of 10 and 15 actively participated in the labor force (Whaples 2005). The economic literature at the turn of the century provides additional evidence: Writing in the *Publications of the American Economic Association* in 1890, for example, William F. Willoughby decries the rise in child labor in the United States. In the same journal, about 20 years later, Samuel Lindsay (1907) calls child labor in the United States a "national problem" and presents census data showing that 18.2% of 10- to 15-year-olds (both males and females) were gainfully employed in 1900. So, although some state labor laws predated federal standards, their effect was necessarily limited and did not significantly affect labor conditions nationally. Additionally, in several other cases, e.g., Social Security and collective bargaining, there is no state analog to predate federal law.

Table 1 lists major U.S. labor standards, their dates of adoption, and America's level of development when each standard was introduced. After mandatory collective bargaining and Social Security in 1935, the next U.S. labor standards came in 1938, which prohibited child labor and created the first federal minimum wage. Following these was maximum-work-hour legislation in 1940. The remaining U.S. labor standards came much later, in the 1960s and 1970s, ending with mandatory maternal leave only 13 years ago in 1993.

Table 1 shows that America was wealthy when national labor standards were first imposed. GDP per capita was $5,467 in 1935 when the first national labor standards were enacted. When the next round of labor standards were introduced average American income was between $6,126 (1938) and $7,010 (1940). By the time it introduced its last major labor standard, maternal leave, average income was $23,477.

Table 1 U.S. Federal labor standards and development

Labor standard	U.S. date of adoption	U.S. labor law/policy change	U.S. GDP p/c (1990 $) in year labor law introduced
Collective bargaining	1935	National Labor Relations Act	$5,467
Slavery	1865	Thirteenth Amendment	$2,445
Indentured servitude	1885	N/A	$3,106
Child labor	1938	Fair Labor Standards Act	$6,126
Minimum wage laws	1938	Fair Labor Standards Act	$6,126
Occupational safety and health	1970	Creation of OSHA	$15,030
Unemployment insurance	1935	Social Security Act	$5,467
Equality of opportunity and treatment	1964	Civil Rights Act of 1964	$12,773
Labor administration	1884	Creation of Bureau of Labor	$3,056
Labor inspection	1970	Creation of OSHA	$15,030
Vocational guidance and training	1962	Employment Act of 1946	$11,905
Working time	1940	Fair Labor Standards Act	$7,010
Social security	1935	Social Security Act	$5,467
Maternal leave	1993	Family and Medical Leave Act	$23,477

Maddison (2003) and the U.S. Department of Labor, "History of Department of Labor http://www.dol.gov/asp/programs/history/.

The U.S. is not an outlier among today's highly developed countries in this regard.[7] As noted above, the first U.S. labor law at any level was Massachusetts' restriction on child labor in 1842 when U.S. per capita GDP was about $1,588. Belgium introduced its first restriction on child labor in 1886, when its average income was $3,153. Denmark's first law against child labor appeared in 1873, when its average income was $2,057. France created its first effective child labor restriction in 1874 at a per capita GDP of $2,157.[8] Germany created the Industrial Labor Code in 1891, which restricted child labor, when its average income was $2,397.[9] England's first enforceable child labor restrictions were introduced in 1833,

[7] Dates for child labor law adoption in the countries below are from Hobbs et al. (1999) and Nardinelli (1990).

[8] In 1841 France officially introduced restrictions on child labor; however, these restrictions were not enforceable until 1847 with the passage of additional legislation.

[9] Prussian statues of 1839 and 1853 also dealt with child labor; however, child labor restrictions did not become practically enforceable until the Industrial Labor Code of 1891.

when its per capita income was $1,774.[10] Outside Europe, Japan didn't restrict child labor until 1916 when its average income was $1,630.[11] Thus, among today's highly developed countries, in terms of development the U.S. was the earliest to introduce restrictions on child labor.

Notably, these restrictions were far from sweeping or significant. Massachusetts' law only limited the work day of children under 12 to 10 h. Belgium and France's laws only established a minimum age of 12 for child laborers in particular employments; Germany's established a minimum age of 13; and England's 1833 legislation merely established a minimum age of nine for child laborers in textile mills. For the most part, child labor was largely unrestricted even after wealthy countries passed initial laws regarding the practice.

The pattern is similar for many other labor standards. Far from being the last to implement them, the U.S. was in sync with the rest of today's wealthy countries in terms of the development-timing of its labor standards. For example, the U.S. created the first national minimum wage in 1938 when its average income was $6,126; France did not do so until 1950, when its average income was $5,271; and England did not do so until 1999 when its per capita GDP was $19,921. Similarly, although America did not introduce maternal protection until 1993 when its per capita GDP was $23,477, France, Germany, and England also did not do so until the 1970s when their average incomes were $12,539 (1972), $11,481 (1972), and $11,847 (1975), respectively. Therefore arguing that the U.S. is exceptional in terms of the timing of its labor standards among developed countries or that it was the last of these countries to adopt them is at best difficult. The U.S.'s broad labor standard experience is similar to that in other highly developed countries and in some cases creates an "easier" benchmark for developing countries to pass because of its relatively lower income when it introduced some standards.

Are Developing Countries Ready for Higher Standards?

Modern Sub-Saharan Africa lags well behind the U.S. developmentally. In Table 2 we identify the "U.S.-equivalent dates of development" for the 32 most populous Sub-Saharan countries. Table 2 employs data complied by Maddison (2003), which include estimates of per capita GDP from 1600 to present.

The second column presents each Sub-Saharan African country's 2001 GDP per capita in 1990 international dollars (PPP). The third column describes each country's U.S.-equivalent date of development. For example, modern-day Ghana's per capita GDP is $1,311, which is the same average income in the United States in 1830. Although Maddison's data extends back to 1600, it has several breaks, which explains how two countries with somewhat different per capita GDPs can have the same U.S.-equivalent date of development. This issue only arises at the very low end of the development spectrum, where Maddison's estimates going back several centuries are less precise and thus include ranges rather than specific values. In these

[10] The Factory Act of 1802 formally restricted child labor, but was rarely enforced until 1833.

[11] Although Japan's law was introduced in 1911, it was not implemented until 1916.

Table 2 Comparative economic development: U.S. and Sub-Saharan Africa

Country	2001 GDP p/c (PPP, 1990 Int. $)	U.S.-Equivalent date of development[a]
Benin	$1,347	1830
Botswana	$4,552	1903
Burkina Faso	$877	1820
Burundi	$576	1820
Cameroon	$1,149	1820
Central African Republic	$642	1820
Chad	$445	1700
Congo, Dem. Rep.	$202	1600
Congo, Rep.	$2,239	1870
Cote d'Ivorie	$1,297	1830
Ethiopia	$660	1820
Gabon	$3,877	1899
Ghana	$1,311	1830
Kenya	$1,016	1820
Lesotho	$1,705	1850
Madagascar	$731	1820
Malawi	$674	1820
Mali	$830	1820
Mauritania	$1,033	1820
Mozambique	$1,611	1840
Namibia	$3,813	1899
Niger	$526	1700
Nigeria	$1,157	1820
Rwanda	$871	1820
Senegal	$1,474	1840
Sierra Leone	$386	1600
South Africa	$4,208	1901
Swaziland	$2,610	1875
Togo	$575	1820
Uganda	$809	1820
Zambia	$686	1820
Zimbabwe	$1,158	1820

Maddison (2003)

[a] For ranges of data, most recent date used. A country whose 2001 GDP p/c surpassed the United States' between 1700 and 1820 would have an U.S.-equivalent date of development=1820.

cases we are as generous as possible and round to the upper part of the date range in tabulating countries' comparative levels of development. For example, Maddison's data do not have annual values for the period between 1700 and 1820. So, for a country such as Uganda where per capita GDP falls between the United States' in 1700 ($527) and 1820 ($1,257), we assign a date of 1820 in the third column.

Some important features emerge from Table 2. First, as is widely acknowledged, modern Sub-Saharan Africa is substantially behind the developed world. Current average per capita income in our sample of Sub-Saharan countries is $1,408, so the average Sub-Saharan country is about as well off now as the United States was in 1835. Second, even the most successful Sub-Saharan countries are a full century behind the U.S. in terms of economic development. As Table 2 reveals, Botswana is Sub-Saharan Africa's biggest "success story." Its U.S-equivalent date of development is 1903. Botswana is followed by South Africa, whose U.S.-equivalent date of development is 1901. Another of Sub-Saharan Africa's wealthier countries, Lesotho,

has achieved about the same level of economic development as the United States had just before the Civil War.

At the other end of the spectrum, the Democratic Republic of Congo and Sierra Leone have per capita GDPs (PPP) of $202 and $386, respectively. Today, these countries have roughly the "United States'" average income in 1600. The poorest countries in Sub-Saharan Africa are at or below the level of economic development achieved by the Native Americans a decade before the first settlement at Jamestown, and two decades before the Pilgrims founded their first colony at Plymouth almost 400 years ago. This is striking, because in terms of development, arguing for the creation of maximum-work-hour legislation in the Democratic Republic of Congo or Sierra Leone is like arguing for maximum-work-hour legislation for Squanto and the Patuxet Indians.

Our confidence in these comparisons is strengthened by the similarity between the economic landscape of 1835 America and the average Sub-Saharan country today. Consider Senegal, for example, where per capita GDP is $1,474, compared to $1,408 for the region as a whole, and $1,376 to $1,588 for the U.S. between 1830 and 1840. Modern Senegal and 1830 to 1840 America are both overwhelmingly agricultural economies that rely heavily on child labor. In 1840, about 70% of the U.S. labor force was employed in agriculture (Hughes and Cain 1994). Today in Senegal, 77% of the labor force is employed in agriculture (*CIA World Factbook* 2006). To support its predominantly agricultural economy, in 1880 32.5% of American boys age 10 to 15 and 13% of girls the same age were actively engaged in the labor force (Whaples 2005). Similarly, in modern Senegal, 31.4% of children age 10 to 14 are laborers (ILO, 2006d).[12] In terms of economic activity and child labor structure, modern Senegal and mid-19th century America are similar.

Figure 1 depicts the current development standing of the three poorest countries in Sub-Saharan Africa and the average Sub-Saharan country (GDP per capita= $1,408 PPP) relative to the "development threshold" established by America's experience for each of five major labor standards: the introduction of mandatory collective bargaining, the prohibition of child labor, the creation of a minimum wage, the prohibition of labor-related discrimination, and the establishment of maternal protection. The poorest countries in Sub-Saharan Africa are far from satisfying the development threshold on any of the five the labor standards considered herein. The Democratic Republic of Congo, Sierra Leone, and Chad currently have average annual incomes of $202, $386, and $445, respectively. The development thresholds set by U.S. adoption for each standard are: $5,466 (collective bargaining); $6,126 (child labor and minimum wage); $12,772 (equal opportunity); and $23,477 (maternal leave). Importantly, the average Sub-Saharan country is also far from the threshold for any labor standard.

Figure 2 illustrates the same information for the three richest countries in Sub-Saharan Africa and, again, the average Sub-Saharan country. The picture is very much the same, though the countries are somewhat closer to the development

[12] An estimated 30% of 5 to 14 year olds in Sub-Saharan Africa overall are child laborers (Edmonds and Pavcnik 2005)—roughly the same child labor force participation rate as the U.S. experienced in 1840 when it was at about the same level of development as Sub-Saharan Africa today.

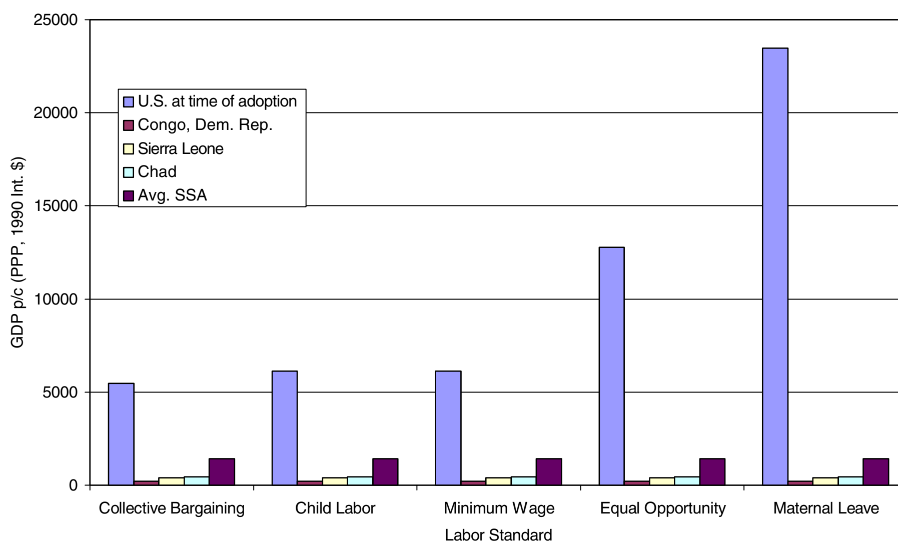

Fig. 1 Labor standard thresholds: the poorest countries in SSA

threshold for collective bargaining. Still, no country in Sub-Saharan Africa, even its most successful nations—Botswana, South Africa, and Namibia—has met the threshold the U.S. had achieved before it introduced any of these labor standards.

Using these data we calculate how many years the average Sub-Saharan country is from reaching the U.S.-equivalent date of adoption for each labor standard—the difference, in years, between the far left bar and the far right bar for each labor standard considered in Figs. 1 and 2. To determine this we consider the date the U.S. adopted each labor standard, the level of U.S. development in that year, and then ask

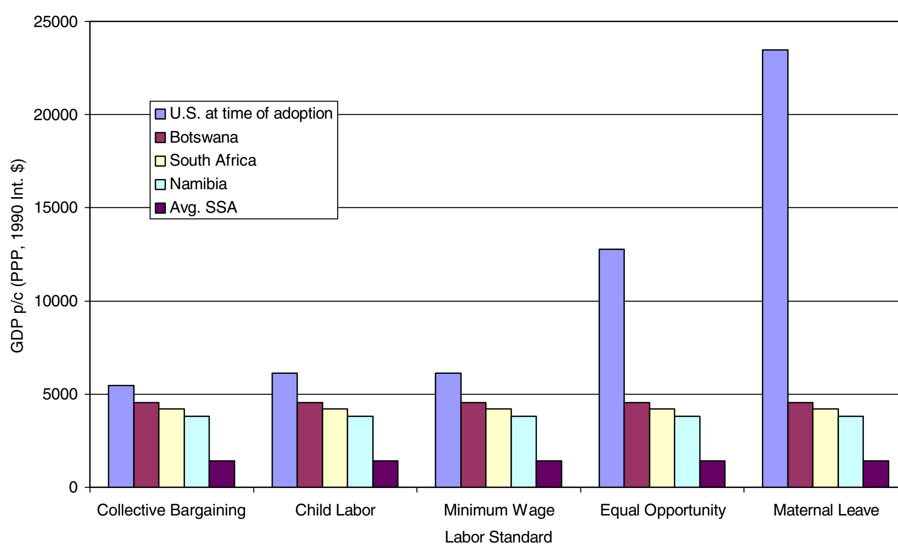

Fig. 2 Labor standard thresholds: the wealthiest countries in SSA

how many years it will take before the average Sub-Saharan country ($1,408 GDP per capita) growing at the average annual Sub-Saharan growth rate over the past half decade (0.895%/year, 1996 to 2001) reaches this level of development. We also address this question for each Sub-Saharan country individually (Table 3).[13]

The average Sub-Saharan country is between one and three centuries from the U.S.-equivalent date of adoption, depending on the labor standard considered. Consider, for instance, the federal labor standard prohibiting child labor, or creating a minimum wage, both of which the U.S. introduced in 1938. The average Sub-Saharan country, which grows at its average annual growth rate for the past 5 years, is 165 years away from, in terms of economic development, when the U.S. first federally prohibited child labor and created a minimum wage. Furthermore, Table 3 reveals that there is no country in Sub-Saharan Africa that is currently ready for any (non-slavery related) major labor standard in place in the U.S. While a few countries, such as Botswana and South Africa, are getting close for a few standards, most countries are far from any standard. In fact, several countries are more than 1,000 years away from the development threshold established by the U.S. for some standards.

These labor standards are significantly premature for Sub-Saharan Africa *even if the first state-made labor standard*, rather than the federal one, is used as the appropriate benchmark for adoption. In 1842 when Massachusetts restricted child labor, average American income was $1,588. Using this level of development as the critical threshold, the average Sub-Saharan country is still nearly a decade and a half from reaching the Massachusetts-equivalent date of adoption. The same is true of the minimum wage. Massachusetts was again the first to create a wage floor in the U.S. in 1912. At this time average U.S. income was $5,201. This puts the average Sub-Saharan country 147 years from the Massachusetts-equivalent date of adoption.

Figure 3 depicts the projected growth of the average Sub-Saharan country over the next 340 years and the corresponding development-appropriate labor standard adoption dates for several of these standards based on our calculations above.

Not one labor standard in force in the U.S is appropriate for Sub-Saharan Africa based on comparative levels of economic development. The labor standards being encouraged by the ILO and its supporters are highly premature. The development-appropriate date of adoption for the earliest major labor standard considered here is just over one and a half centuries away.

Many of the countries in Sub-Saharan Africa are agricultural. However, the most strenuous calls for increased labor standards are directed at industrialized developing countries where it is believed child sweatshops are heavily concentrated. It is therefore useful to examine where these countries stand relative to the development threshold established by America's experience for various labor standards.

To do this, we perform the same analysis as in Table 3 for so-called "sweatshop-intensive countries." We selected countries for this purpose on the basis of Powell and Skarbek (2006) who identify 13 sweatshop-intensive nations: Bangladesh, Brazil, China, Costa Rica, Dominican Republic, El Salvador, Haiti, Honduras, India, Indonesia, Nicaragua, Peru, and Vietnam. Table 4 reports how many years each of these countries, and the average sweatshop-intensive country (GDP per capita=

[13] In the individual breakdown, we exclude countries that had negative average annual growth rates for the period considered (1996 to 2001).

Table 3 Sub-Saharan Africa: years to U.S.-equivalent date of labor standard adoption

Labor standard	Average SSA	Benin	Botswana	Burkina Faso	Cameroon	Central Africa Rep.	Chad	Congo, Rep.	Ethiopia	Ghana	Lesotho	Madagascar	Malawi
Collective bargaining	152	75	3	85	62	122	193	536	100	63	66	123	274
Slavery	62	32	−12	47	30	76	131	53	62	28	20	74	169
Indentured serv.	89	44	−7	58	40	90	149	197	73	38	34	89	200
Child labor	165	81	6	90	67	129	201	605	105	68	72	130	289
Minimum wage	165	81	6	90	67	129	129	605	105	68	72	130	289
Occupational safety and health	266	128	22	131	103	180	270	1,144	148	108	123	185	406
Unemployment insurance	152	75	3	85	62	122	193	536	100	63	66	123	274
Equal opportunity	247	120	19	124	96	171	258	1,046	140	101	113	175	385
Labor admin.	87	44	−7	58	39	89	148	187	72	38	33	88	198
Labor inspection	266	128	22	131	103	180	270	1,144	148	108	123	185	406
Vocational train.	240	116	18	121	93	167	252	1,004	137	98	109	171	376
Working time	180	88	8	96	72	137	212	686	112	74	80	139	307
Social security	152	75	3	85	62	122	193	536	100	63	66	123	274
Maternal leave	316	152	31	152	120	206	304	1,412	169	128	148	213	465

Table 3 (continued)

Labor standard	Average SSA	Mali	Mauritania	Mozambique	Namibia	Niger	Rwanda	Senegal	South Africa	Swaziland	Uganda	Zambia
Collective bargaining	152	119	135	17	34	306	50	51	20	84	73	638
Slavery	62	68	70	6	−42	201	28	20	−42	−7	42	391
Indentured serv.	89	84	89	9	−19	232	34	29	−23	20	51	464
Child labor	165	127	144	18	44	321	53	55	29	97	77	673
Minimum wage	165	127	144	18	44	321	53	55	29	97	77	673
Occupational safety and health	266	183	217	30	128	438	77	90	98	199	112	949
Unemployment insurance	152	119	135	17	34	306	50	51	20	84	73	638
Equal opportunity	247	173	203	28	113	417	73	83	85	180	105	899
Labor admin.	87	83	88	9	−21	230	34	28	−25	18	51	459
Labor inspection	266	183	217	30	128	438	77	90	98	199	112	949
Vocational train.	240	169	198	27	106	408	71	81	80	172	103	877
Working time	180	135	155	20	57	338	56	60	39	112	83	714
Social security	152	119	135	17	34	306	50	51	20	84	73	638
Maternal leave	316	212	253	36	170	496	89	107	132	249	129	1,086

Calculated using each country's average annual growth rate between 1996 and 2001 and 2001 GDP p/c.

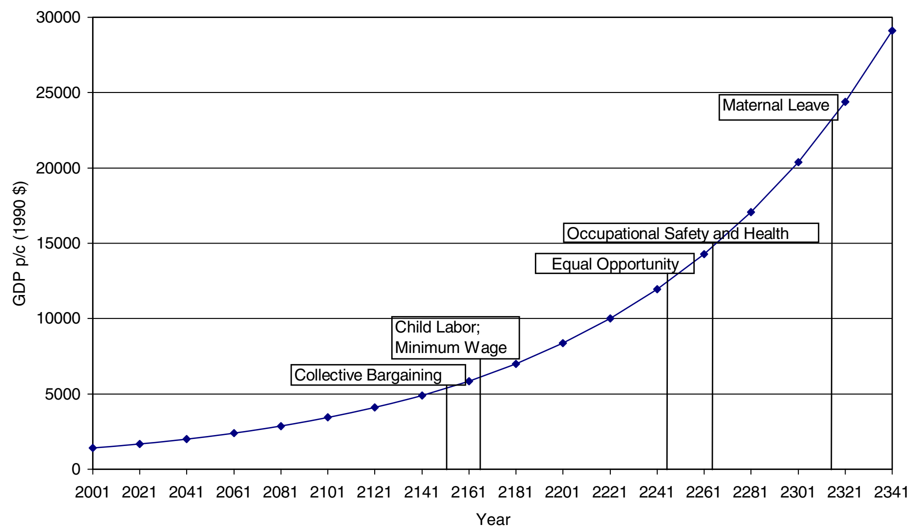

Fig. 3 Development appropriate labor standard adoption for SSA

\$3,042, average annual growth rate 1996 to 2001=2.017%), is from the U.S.-equivalent date of adoption for each labor standard.[14]

Table 4 presents a similar picture to Sub-Saharan Africa. Nearly all sweatshop-intensive countries are decades, and in some cases centuries, and even millennia, away from the U.S.-equivalent date of adoption for nearly every major labor standard. The average sweatshop-intensive country is between 30 and 100 years from the U.S.-equivalent date of adoption, depending on the labor standard considered. Prohibition on child labor is especially interesting to consider. Only Costa Rica has achieved the level of development the U.S. had reached when it first nationally prohibited child labor. The remaining ten countries in Table 4 are between a decade (Brazil) and 1,550 years (Honduras) from achieving this threshold. The average sweatshop-intensive country is 35 years from this threshold. Thus, in these developing countries too, the labor standards being urged by the ILO and its supporters are highly premature.

Concluding Remarks

If the timing of core labor standards in the now developed world is an appropriate guide for the adoption of these standards in the developing world, the proposals of those such as the ILO which seek to impose more stringent labor standards on developing countries are counterproductive. These labor standards are highly inappropriate for developing countries at their current income levels, and at the income levels they are likely to experience for many future decades. Sub-Saharan

[14] In the individual breakdown, we exclude countries that had negative average annual growth rates over the 5 year period considered (1996 to 2001).

Table 4 Sweatshop-intensive countries: years to U.S.-equivalent date of labor standard adoption

Labor standard	Average sweatshop-Intensive	Bangladesh	Brazil	China	Costa Rica	Dominican Rep.	El Salvador	Honduras	India	Nicaragua	Peru
Collective bargaining	29	203	−2	9	−3	8	61	1,395	28	47	63
Slavery	−11	113	−82	−8	−28	−8	−9	302	6	17	61
Indentured serv.	1	139	−58	3	−20	−3	12	627	13	26	24
Child labor	35	216	9	11	0	10	71	1,550	31	51	80
Minimum wage	35	216	9	11	0	10	71	1,550	31	51	80
Occupational safety and health	80	316	98	30	27	29	148	2,770	56	85	218
Unemployment insurance	29	203	−2	9	−3	8	61	1,395	28	47	63
Equal opportunity	72	298	82	27	22	25	134	2,549	51	79	193
Labor admin.	0	138	−59	−3	−21	−4	10	605	12	25	−26
Labor inspection	80	316	98	30	27	29	148	2,770	56	85	218
Vocational train.	68	290	75	25	20	24	128	2,453	49	77	182
Working time	42	231	23	14	4	13	82	1,733	35	57	101
Social security	29	203	−2	9	−3	8	61	1,395	28	47	63
Maternal leave	102	366	143	39	40	38	187	3,376	68	102	286

Calculated using each country's average annual growth rate between 1996 and 2001 and 2001 GDP p/c.

Africa's level of economic development is roughly on par with the U.S.'s in the early nineteenth century. The idea of a development-appropriate labor policy suggests that these countries' labor laws should reflect labor law in the U.S. at that time. In the early nineteenth century the U.S. had not yet introduced a single national labor standard, nor had the rest of the developed world created significant labor standards. Sweatshop-intensive developing nations are in a similar situation. Although as a group their average income and growth rate is superior to Sub-Saharan Africa, they are far from being wealthy enough to safely trade income for more stringent labor conditions.

In practice, national laws prohibiting child labor, mandating minimum wages, promoting collective bargaining, and other such standards should be avoided in these countries. Given prevailing labor law in Sub-Saharan Africa, for instance, current labor laws should be eliminated rather than creating new ones.[15] For example, all but three countries in Sub-Saharan Africa in our sample of 32 have national laws restricting or prohibiting child labor. Interestingly, two of the three nations without these laws are among Sub-Saharan Africa's biggest success stories, Botswana and Lesotho. All but four countries in our sample have some form of legislation enacting wage floors, including Sierra Leone, which in terms of economic development is equivalent to America nearly 200 years before there was an America. About half have laws on the books prohibiting labor-related discrimination and regulations concerning employment security and termination of employment. All but six regulate hours of work, weekly rest, and paid leave. Amazingly, eleven have even introduced standards for maternal protection—a move the highly developed world did not find viable until the late twentieth century. These countries include Kenya, Madagascar, Mali, Mauritania, Zambia, and Zimbabwe, all of which have U.S.-equivalent dates of development of 1820.[16]

In economic development, like in many avenues of life, those at the bottom of the standings imitate those at the top. Imitation can be good if those at the bottom imitate the process that led the top to success. A problem arises, however, when the outcomes of success are confused for the reasons that created it. Imitating outcomes instead of process can prevent the very success sought. In economic development this problem is exacerbated by labor rights activists, such as the ILO, who advocate the "outcome-imitation" approach as a development strategy. Unfortunately, imposing labor standards on the developing world prematurely will not only make it more difficult for these countries to develop, but may actually jeopardize their ability to improve labor standards down the road by preventing them from becoming wealthy enough to afford higher standards.

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[15] In this view, the lack of enforcement for many existing labor laws in Sub-Saharan Africa is not deplorable but praiseworthy as a way for extremely poor countries to avoid trading off income for higher labor standards prematurely.

[16] The ILO database, NATLEX, comprehensively describes the labor related laws for 170 countries. See: http://www.ilo.org/dyn/natlex/natlex_browse.home.

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