Is Globalization Good or Bad?

The extreme positions:

- Protectionism/Nationalism
- Global Justice
- Fair Trade

Details of the debate

Jobs, Wages, and Regulations

Risks
- Race to the bottom?
  - Globalization lowers labor standards
  - Eliminates jobs in developed countries
  - Forces wages lower in developed countries
  - Exploits workers in developing countries
  - Weakens protection of the environment

Opportunities
- Race to the top?
  + Increases wealth and efficiency
  + Generates labor market flexibility
  + Creates jobs in developed and developing countries
  + Investment raises labor standards
  + Open economies are the most environmentally friendly

Details of the debate – jobs in context

“Ever since CREA was told by a corporate manager that the wages paid to the workers were ‘living wages’ because the workers are alive, CREA has used the phrase Sustainable Living Wages.”

Sustainable Living Wages. These are wages that not only meet the basic needs of the workers and their families, but also provide for the setting aside of money for participation in culturally required activities, and planning for future betterment.
Wage Level Definitions

Level 1: Marginal Survival Wage
Wage level does not provide for adequate nutritional needs. Starvation is prevented, but malnutrition, illnesses, and early deaths are the result.

Level 2: Basic Survival Wage
Wage level allows for meeting immediate survival needs including basic food, used clothing, minimal shelter, fuel for cooking.

Level 3: Short Range Planning Wage
Wage level meets basic survival needs. Possibility of small amount of discretionary income allows for minimal planning beyond living from paycheck to paycheck. Allows for occasional purchase of needed item(s) as small amounts can be set aside after meeting basic survival needs.

Level 4: Sustainable Living Wage
Wage level meets basic needs including food, clothing, housing, energy, transportation, health care, and education. Ability to participate in culturally required activities (including births and related celebrations, weddings, funerals and related activities). Also allows for the setting aside of small amounts of money (savings) to allow planning for the future purchase of items and the meeting of needs.

Level 5: Sustainable Community Wage
In addition to meeting basic needs and allowing the worker to set aside money for future purchases, allows for the availability of enough discretionary income to allow the worker to support the development of small businesses in a local community, including the support of cultural and civic needs of the community. Wage levels allow for long range planning and participation.