

Report Summary

Between 2000 and 2013, developing country economies grew almost twice as fast as the wages workers earn. While there are increases in the lack of decent and dignified jobs, especially for women; increases in inequality and the undermining of labour rights in the workforces, there is a growing realisation for the need of proper industrialised policies focusing on quality employment creation.

ActionAid published the report *What A Way To Make A Living*, with analyses of case studies from Uganda, Bangladesh and Vietnam. The report introduces initiatives to ensure equality for women participating in the workforce and to incorporate the creation of quality employment built on the foundation of worker's right with growth.



Dung with her 5 year old daughter.
Photo: Ruth Kelly/ActionAid

Key messages of the report

- > **Jobless growth and rising inequality as the results of failure to develop manufacturing sectors built on foundation of worker's rights**
- In Asia, Africa, Latin America and the Middle East, economies grew by an average of 4.7% but wages only grew by an average of 2.6%.

- 42.6% of the global youth labour force is either unemployed or working yet living in poverty.
- Gender inequality in work costs women in poor countries \$9 trillion each year.
- The financial crisis has given rise to job losses of an estimated 13 million jobs for women.
- > **Industrialisation lessons to generate decent and dignified jobs from the past**
- In 1958, Toyota Japan attempted to export its first passenger car but it was a complete flop. Many economists said the country should stick to exporting silk, in which they said the country had a comparative advantage. However, the government continued to invest public money in the company and to limit imports of foreign cars.
- Britain maintained high tariffs on manufacturing until as late as the 1820s. Between 1816 and the end of World War II, the US had one of the world's highest average tariff rates on manufacturing imports.
- Korea protected textiles and later heavy industries from competition by putting in place tariffs, quotas, export subsidies, credit and other measures.
- In Taiwan, 150 engineers in Taiwan's



Shilpy, a woman's leader trained in one of ActionAid's Rights café.
Photo: Nicola Bailey/ActionAid

Industrial Development Bureau worked closely with domestic firms and foreign

investors to help improve the quality and reduce the price of products.

> **Global rules limit policy space for industrialisation in developing countries**

- *“Many of the fundamental WTO rules have historically been drafted to prevent WTO Members from protecting their domestic industry at the expense of, and to the exclusion of, foreign producers or traders”* (Jan Bohanes).
- WTO rules and bilateral trade and investment agreements prevent governments from getting the best out of foreign investment.
- New generation trade and investment agreements cover an even wider range of issues, including competition policy, government procurement and other policy tools to promote industrialisation.



Policy recommendations

> **Developing country governments should:**

- Work with domestic firms and civil society to identify those barriers;
- Learn from rich countries experience;
- Implement performance requirements on foreign investments as well as policies guaranteeing equal pay and access for women;
- Cooperate with regional labour to increase the level of labour's right and wages;

- Carry out unilateral protection measures from harmful trade and investment agreements.

> **Developed country governments should:**

- Review and revise of tax rules and trade and investment agreements limiting the industrialisation and undermining human rights in developing countries;
- Revise tax rules harmful for poorer countries

> **The international community should**

- Reform international rules to protect worker's rights and decrease the limitation on policy space for industrialisation.
- Ensure the balance between worker's rights and investor's rights
- Work toward global tax agreements to ensure a global fair tax system

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