

A Critique of the Global Wage System

By Gernot Köhler¹

1. Introduction

It is widely believed that international wage differences are a result of international productivity differences. That belief has been criticized by various economists. For example, Samir Amin observed: "Workers at the periphery are super-exploited . . . because the differential of wages (and incomes from non-wage labour in general) is much higher than the differential of productivities." (Amin 1990, chapter 6) In the estimation of Prebisch, Singer, and Myrdal, "productivity increases that take place in developed nations are passed on to their workers in the form of higher wages and income, while most or all of the productivity increases that take place in developing nations are reflected in lower prices" (Salvatore 1987: 273) I would like to add a few observations of my own. My observations are influenced by the feminist critique of wages, which has established that wage differences between the sexes are frequently caused by discrimination, rather than by productivity differences. Following that line of reasoning, the thesis of this article is that international wage differences are, to a large extent, caused by discrimination, rather than by productivity differences.

2. Alternative definitions of labour productivity

It is useful to distinguish between two kinds of labour productivity – namely, between physical productivity and value productivity. In the general definition, labour productivity is equal to output divided by labour input. Both components of the formula - namely, "output" and "labour input", can be measured in a variety of ways. The differences in measurement are so severe, that they affect empirical observation in significant ways and raise important theoretical questions.

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The component of "labour input" may be measured in various ways - e.g., as hours (days, weeks, months, years) of labour, or as number of workers, or as number of workers multiplied by time, or as labour cost. The component of "output" may be measured either in physical terms (e.g., tons of coffee harvested) or in value terms (e.g., the peso or dollar value of the tons of harvested coffee). That leads to two or more significantly different concepts of productivity that are different not only in measurement terms, but also in terms of theory - notably, physical productivity and value-productivity. In the physical concept of productivity, output is counted as objects produced or services rendered - e.g., number of cars built (per worker or per time interval) or tons of wheat produced (per worker or per time interval) or number of dentist operations performed (per dentist or per time interval) or number of students taught to a certain level (per teacher or per time interval), and so on. When, on the other hand, we use the value concept of productivity we count the monetary value produced - e.g., number of dollars worth produced (per worker or per time interval) or number of rupees worth produced (per worker or per time interval) etc. Each of the two concepts of productivity may be applied at different levels of aggregation - namely, individual, sectoral, national, global, or other.

Hypothetical examples of physical labour productivity:

- (1) Worker A produces twice as many objects per day as another worker B; the physical labour productivity of worker A is double the physical labour productivity of worker B.
- (2) In country A the rice production per worker is twice the rice production per worker in country B; the physical labour productivity in rice production of country A is double that of country B.
- (3) Factory automation in a car factory has the result that the same number of workers produces twice as many cars as before; physical labour productivity of the factory has doubled.

Value productivity (money-valued labour productivity), on the other hand, depends on physical labour productivity and on product prices (selling price). The conceptual relationship between the two kinds of labour productivity is:

$$\text{value productivity} = \text{physical productivity} * \text{product prices}$$

Thus, if product prices are identical or constant, then double physical productivity leads to double value productivity. However, if product prices are not identical or constant, then value productivity will behave differently from physical productivities.

Hypothetical examples of value productivity (money-valued labour productivity):

Situation (1): double car production per worker + selling price of car is constant.

Result: physical productivity per worker is doubled and value productivity per worker is doubled ($2 * 1 = 2$).

Situation (2): double coffee production per worker + reduce the coffee price to one half. Result: physical productivity per worker is doubled, but value productivity per worker is unchanged ($2 * \frac{1}{2} = 1$).

Situation (3): double the number of computers assembled per worker + reduce the computer price to one quarter. Result: physical labour productivity is doubled, but value productivity per worker is reduced to one half ($2 * \frac{1}{4} = \frac{1}{2}$).

3. Wages and *Physical* Labour Productivity

First, I will discuss the relationship between wages and *physical* labour productivity. In particular, I will establish the point that certain categories of workers in different countries may have identical physical productivities, while their wages may differ tremendously. It is generally considered fair to pay a higher wage if a worker produces more and/or better output, and to pay the same wage if a worker produces the same or equivalent output. Here are some examples in which workers around the world produce the same or similar output, yet their wages are vastly different.

Example 1 Agricultural Workers

Wage earners in agriculture, paid by the day, perform comparable (even if not identical) physical labour in different countries. Table 1 shows wages of agricultural workers in various countries.

Table 1 Wages in Agriculture, 1995

Country	Daily Wage, Current international \$ (PPP values)	Notes from the source	Gender	Skill category	Daily Wage, LCU	Local currency unit (LCU)
	48	casual day workers, excl		wage earners		
Japan		fishing	men		7963	Yen
	36.3	casual day workers, excl		wage earners		
Japan		fishing	Women		6028	Yen
	15.9		men and women	wage earners		
Mauritius					131.00	Rupees
	11.95	Rice, corn, coconut and	men and	wage earners		
Philippines		sugar cane	women		92.27	Pesos
	5.85	Tea plantations	men and women	wage earners		
Sri Lanka					78.84	Rupees

Source: ILO, LABORSTA database (online) 2003

Notes: (a) wages in ISC2 category 1=agriculture, hunting, forestry, and fishing
 (b) inclusion criteria = if worker category is given as "wage earner" and pay period is given as "day"

(c) my conversion of local currency values to PPP values, using World Bank data

It can, probably, be assumed that the physical productivity of the agricultural casual labourers in these different countries shown in Table 1 is comparable, similar or identical, but the wages are very different. Thus, identical physical labour productivity does not necessarily lead to an identical wage.

Example 2 Shoe Manufacturing Workers

A Canadian entrepreneur stated (in a radio interview, year 2000) that he has his shoes manufactured in Asia, where he pays 20 cents per hour of labour, he said, rather than in Canada, where he pays \$20 per hour of labour. He implied that the quality of workmanship (skill) in Asia was the same as in Canada (homogeneous skills) and that

he would provide the same machinery in both cases. In this example, the worker's physical productivity is the same in Asia and Canada. However, the wages are vastly different. Thus, identical physical labour productivity does not necessarily lead to an identical wage.

Example 3 Textile Manufacturing Workers

The wage for a textile worker in Nicaragua in a foreign industrial zone ("Zona Franca"), who makes clothes for export, was less than US \$3 per a 10 hour day in 2003. (Sewell 2003) The effective wage for a home worker in the garment industry in Toronto, Canada in 2003 was, on average, Canadian \$ 6-8 per hour (equivalent to approximately US \$4.50 - 6.00 per hour). That results in approximately US \$52.50 for a ten-hour day. (Maquiladora Solidarity 2003) The wage difference between Nicaragua and Canada is 17.5 : 1. Thus, assuming that the physical productivities are very similar, similar physical labour productivity does not necessarily lead to an identical wage.

Example 4 Automotive Workers

The weekly pay for automotive workers at Volkswagen in Mexico in year 2002 was between US\$230 and \$250, "making the Volkswagen workers among the very highest paid autoworkers in all Mexico." (UAW 2002) The annual wage for automotive manufacturing in USA in 2003 was between \$40,175 (in the state of North Carolina) and \$74,686 (state of Michigan) (U.S. Bureau of Economic Analysis 2003). That is a weekly wage in the range of US \$773 to \$1,436. The ratio of U.S. to Mexican automotive wages is thus between 3.4 : 1 and 5.7 : 1, while the physical labour productivity is most likely identical. Thus, identical physical labour productivity does not necessarily lead to an identical wage.

Example 5 Dentists

Dentists perform procedures many of which are very similar in different countries. A tourist reported that she had dental work done in Hungary in 1998 for which she paid

Hungarian Forints equivalent to Canadian \$300 (three hundred). The fee for the same dental work in Canada might have been Canadian \$ 3,000 (three thousand), as a rough estimate. Thus, identical physical labour productivity does not necessarily lead to an identical remuneration.

Example 6 Educators

Table 2 shows monthly wages for teachers and other educators in 22 countries at purchasing power parity values (PPP values) for year 1995. The income gap for educators in this group of countries is 32 : 1. While wages differ enormously, the skills required for, and outcomes obtained from, teaching in elementary and high schools is more similar than different around the world. Thus, similar or identical *physical* labour productivity of educators does not necessarily lead to an identical remuneration.

Country	Monthly wage, "International dollars" (PPP values)
Korea, Republic of	2959
United Kingdom	2880
Netherlands	2832
Finland	2279
Canada	2130
Isle of Man	1813
Netherlands Antilles	1497
Austria	1484
Israel	1303
Slovenia	1170
Czech Rep	705
Poland	496

Mexico	482
Peru	448
Hungary	434
Romania	363
China	255
Slovakia	255
Estonia	245
Lithuania	218
Latvia	182
Kyrgyzstan	92

Sources: ILO (1999) for wage rates in local currency. My conversion to PPP values, using World Bank data

Summary of Examples

These examples demonstrate quite clearly that there may exist no correspondence whatsoever between physical labour productivity and wage level in an international comparison. Therefore, it cannot be claimed that the workers around the world are remunerated in proportion to their *physical* productivity.

4. Wages and *Value* Productivity

Value productivity, the second concept of productivity, contains a price dimension, which is missing in the concept of physical productivity. In general terms, value productivity (money-valued labour productivity) may be defined as:

$$\text{value productivity} = (\text{physical output}) * (\text{product prices}) / \text{labour input}$$

or,

$$\text{value productivity} = \text{value added} / \text{labour input}$$

The fact that product prices are included in the definition of money-valued productivity is very important; namely, for a given labour input, value productivity (money-valued

labour productivity) is controlled by two variables, namely, physical output and market value (price) of the output, rather than by only one factor (physical output).

Hypothetical example: a garment worker produces 100 shirts in a given period of time. (a) The physical productivity of that worker for that time period is 100 shirts/ 1 worker. (b) The money-valued productivity depends on the market value of the shirts. If the shirts sell for 5 dollars each and materials cost 2 dollars for each shirt, then the value-added for each shirt is $5 - 2 = 3$ dollars and the money-valued productivity of that worker is $(100 \text{ shirts} * 3 \text{ dollars}) / 1 \text{ worker} = 300$ dollars per worker. If, on the other hand, the shirts sell for 10 dollars each (and materials cost are the same as before, namely 2 dollars for each shirt), then the value-added for each shirt is $10 - 2 = 8$ dollars and the money-valued productivity of that worker is $(100 \text{ shirts} * 8 \text{ dollars}) / 1 \text{ worker} = 800$ dollars per worker. The example shows the importance of the selling price for the calculation of the worker's value productivity (money-valued productivity). In this case, we see identical physical productivity - namely, 100 shirts per worker per time interval, but two different money-valued productivities - namely, 300 dollars per worker or 800 dollars per worker. The difference between the two is controlled by the selling price of the product and not by the physical labour productivity of the worker.

5. The relationship between wages and the two types of productivity

Wage is measured as dollars (or rupees etc.) of remuneration paid per hour (or day etc.) of labour. Money-valued productivity is measured as dollars (or rupees etc.) of value-added per labour hour (or day etc.). Wages of labour and money-valued productivity of labour are thus measured in the same dimension - namely, as monetary unit per unit of labour unit.

In practice a relationship between value added and wages develops. The relationship is not precise, but exists. When the value-added is high, employers can afford to pay high wages and workers tend to demand high wages. When the value-added is low, employers can afford to pay only low wages and workers tend to have lower wage expectations. For example, the value-added per hour of labour is high in Germany and low in Haiti. German employers can pay higher wages than employers in Haiti; and workers in Germany expect higher wages than workers in Haiti. As a consequence of

that, we find a correlation between money-valued productivity and wages. Money-valued productivity and wages are both functions of value-added. Value-added is a function of the market value (price) of the output. Namely:

Value-added = market value of output less production costs

Wage rate = function of (value-added)

Money-valued labour productivity = function of (value-added)

The important point is that (a) money-valued productivity is not the same as physical productivity; (b) if productivity is defined and measured as money-valued productivity, then the claim that wage corresponds to money-valued productivity tends to be true in international comparisons, since both wage and value productivity are a function of value-added; (c) if, alternatively, productivity is defined and measured as physical productivity, then it cannot be claimed that wages correspond to productivities in international comparisons,

6. International wage differences and exploitation

In a discussion of exploitation and international wage differences we have a choice of two major definitions of "exploitation" - namely, a generic definition or a specific Marxist definition.

(a) Using a generic definition of exploitation: The dictionary defines "exploitation" as (a) "utilization;" (b) "the successful application of industry on any object, as in the cultivation of land, the working of mines, etc.;" (c) "selfish or unfair utilization" (New Webster 1980). Accordingly, the term exploitation has certain neutral meanings and a negative meaning (i.e., selfish or unfair utilization), as when someone is accused of being an exploiter.

It is a fact that global corporations (TNCs, MNCs) use labour in low-wage countries. That constitutes "utilization" and "successful application of industry", in the sense of the dictionary, i.e., exploitation in the neutral sense. Is this also a case of "selfish or unfair utilization"? The use of low-wage labour is certainly selfish on the part of global corporations, but is it also unfair?

Let's examine an example (the example is from a Canadian labour education film, 2003): Women work in a textile factory in Haiti, making sweatshirts. The wage is 0.50 US dollars per hour (50 cents). One woman sews over 1,000 sweatshirts per day. The factory is owned and run by a local Haitian entrepreneur. The sweatshirts are shipped to the Disney chain in USA (and have a Mickey Mouse picture in front). The US retail price for one shirt is US\$18.00. Let's assume that the various kinds of labour employed on the US side for transportation, retail sales, and so on, are paid between USD 4.00 per hour and USD15.00 per hour.

Does the wage of 0.50 dollars per hour for the Haitian worker constitute "unfair utilization" and, thus, exploitation, in the sense of the dictionary? The answer is twofold, namely: (1) in relation to other Haitian workers: The Haitian minimum wage as per legislation of April 2003 is "70 gourdes per day (about \$1.70 today)" or about 20 U.S. cents per hour. Various categories of workers in Haiti earn less than minimum wage, for example, street cleaners. Moreover, 70% of Haitians are unemployed (Bracken 2003). Therefore, the Haitian wage of 50 cents per hour for the textile worker in the example is fair in relation to other Haitian wages. (2) In relation to US wages: The Haiti wage is less than the U.S. wages in the example. The work of the Haiti worker is productive and comparable to the work of the U.S. workers. Therefore, the Haiti wage is unfair in relation to the U.S. wages of the example. The example shows that global corporations that use labour of low-wage countries engage in "unfair utilization" and, thereby, exploitation, in the sense of the dictionary. This kind of exploitation has been called "transnational corporate exploitation". (Chase-Dunn 1998: 236).

(b) Using a Marxist definition of exploitation: In his 1848 speech on free trade Marx used the term "cosmopolitan exploitation" with reference to the world economy, but the concept is not in general use. Samir Amin has been criticizing the "super-exploitation" of workers of the Third World (e.g., Amin 1990). In addition to those concepts, I find the concept of "differential exploitation" useful, which has been employed by Lebowitz (2002: 8).

Differential exploitation can be defined as a situation where two different rates of exploitation exist while outputs are identical. If "s" is surplus value and "v" is wage

("variable capital") and "v1" is wage rate 1 and "v2" is wage rate 2, then there may be a situation with two different rates of exploitation, namely, $s/v1$ and $s/v2$. For example, a woman may produce the same surplus value as a man, but if the two receive two different wages, then there is a case of differential exploitation based on gender difference.

The world system is full of situations of differential exploitation both within countries and between countries. Thus, within most countries women receive lower wages than men. Part of that is due to differential exploitation, since the women may produce the same or more surplus value than the men. Differential exploitation may also take place within countries on the basis of ethnicity and other demographic factors. Differential exploitation also takes place between countries. The most common situation is that of a global corporation or globally vertically integrated chain of production in which different wage rates are paid to workers with identical skills in different countries, even though they all contribute to the same surplus value ("bottom line") generated by the global corporation. In this instance, the differential exploitation is differential transnational exploitation, as the production process is transnational.

7. Four types of discrimination

The thesis of this article is that international wage differences are frequently due to discrimination, rather than to productivity differences. Let us now turn to the discrimination side of the argument. In our context, it is useful to distinguish between four types of discrimination, namely, (a) wage discrimination (the narrower concept), (b) policy discrimination, and (c) structural discrimination, (d) ideological discrimination. These types of discrimination are all related to familiar aspects of imperialism, global center-periphery structure, and dependencia. From a praxeological perspective, various effects of imperialism and global center-periphery structure can be understood as types of discrimination. Wage discrimination is discrimination in the process of paying wages. Policy discrimination is discrimination resulting from public policies. Structural discrimination is discrimination resulting from the existence of social structures, broadly conceived. Ideological discrimination is discrimination embedded in our way of thinking. While wage discrimination affects wages directly, the other three kinds of discrimination may affect wages *indirectly*, but "indirect" does not necessarily mean "insignificant".

(a) Wage discrimination

Wage discrimination against women is a familiar issue. The prohibition of wage discrimination based on gender has been written into law in various countries. The criterion for recognizing the existence of wage discrimination is: "paying different wage rates for comparable work on jobs which have comparable requirements" (Kentucky 2003). This criterion can also be applied to international wage differences. When applying this criterion, a transnational firm or transnationally integrated chain of production would have to pay the same wage rate for comparable work on jobs which have comparable requirements irrespective of geographic location, no matter whether the employee is located in Canada, Colombia, or China. In view of public knowledge about sweatshops and so on, we can claim that wage discrimination based on geographic location exists within transnational corporations and transnational vertical structures of production and service.

(b) Policy discrimination

It is so much the nature of foreign, international, and global policies to be discriminating that it appears almost futile to apply the concept of discrimination in this area. Various policies, processes, and structures affect global wage differentials, including North-South policies, uneven development, international trade policy, and so on, but in the literature they are usually not discussed under the heading of "discrimination." These forms of structural and policy discrimination between countries may have an influence on international wage differences, but do not constitute direct wage discrimination, as defined in the previous section, but may have an *indirect* effect on wage differences between countries. To say "indirect" is not saying "insignificant". On the contrary, the indirect effects on wages stemming from various kinds of structural and policy discrimination may be very powerful.

Some aspects of policy discrimination that appear to be of particular relevance for the discussion of international wage differences include the following.

Restriction of international labour migration: The control of international labour migration (a) has a significant impact on international wage differences, (b) tends to

be discriminatory. For example, Chase-Dunn writes: "The core/periphery wage . . . this differential is maintained by restrictions on international labour migration from the periphery to the core" (Chase-Dunn, 1998: 77-78) In the history of European migration to North America, Europeans were free to migrate across the Atlantic. As a result, as Bukharin observed in 1917, "in the framework of world economy the process of equalizing the various wage scales is taking place with the aid of migration." (Bukharin 2003: 39).

Economic sanctions: Economic sanctions and embargoes against selected countries are clearly discriminatory policies. Recent examples include the economic blockade by USA against Cuba, economic sanctions by the Commonwealth against Zimbabwe, and UN economic sanctions against Libya and Iraq. To the extent that these sanctions impoverish an economy, they also affect wage levels in the targeted economy.

Military and covert coercive policies: Military and covert intervention in a foreign country contributes to the destabilization or destruction of that country's economy. Stating the obvious, such interventions are highly discriminatory, as only some countries receive that treatment, and affect the wages, if not the lives, of the workers in the affected country.

Policies of positive discrimination: Policies of positive discrimination are particularly noticeable in connection with hegemonial leader countries. During the Cold War 1945 - 1990, both USA and USSR bestowed economic favours on countries that were important to them. South Korea, Taiwan, Western Europe and Israel were of geopolitical importance to the United States during that era and prospered economically with the help of the United States. The Soviet Union helped Cuba with massive aid. Such policies have also an impact on wages in the affected countries.

(c) Structural discrimination

Structural discrimination has to do with social barriers, with opportunity structures, with social processes favouring one group over another, and with values embedded in the social fabric. A definition of discrimination that emphasizes opportunity structure reads, as follows: "Discrimination - the offering of different opportunities to similar individuals who differ by color of skin, ethnicity, gender, age or other characteristic . . .

..” (Curtis 2001: 7) A critique of structural discrimination on a world scale is implied in the notion of “global apartheid” (e.g., Köhler 1978, 1995).

Social-structural discrimination stems from historically grown power relations and prejudices. There is a rich literature on the history and the present state of the world system. From that body of knowledge we learn that international wage differences are affected by world-wide historical developments, social structures, and activities, including colonialism, imperialism, capitalism; conquest by Europeans and North Americans of other parts of the world, extermination of native peoples; enslavement, slave trade, and slave labour; plunder of gold and silver from the Americas; plunder of natural resources from ores to petroleum to food stuffs; uneven development; unequal exchange, the power of global corporations, international debt, repatriation of profits, capital flight, denying market access, harmful policies by international organizations; restriction of international labour migration, coercion, including overthrowing of social-reform-minded governments and killing or incarceration of labour union leaders; ideological and media power; ethnic stratification; and in other ways.

Markets and Structural Discrimination in the World Economy: Markets constitute a special problem in the discussion of global structural discrimination. On the one hand, markets, in the sense of, systems of buyers and sellers who interact according to the forces of demand and supply, are - or are depicted as, non-discriminatory systems. However, from the feminist critique we know that markets are embedded in social systems and that the social systems influence what markets do. That is also the general view of the branch of economics called institutional economics. For example, if society holds macho beliefs, then the social structure and values of society support discrimination based on gender. Markets function in such a macho society without any problem. If, on the other hand, society changes to embrace women’s equality as a value, markets still function without a problem. In other words, markets are no safeguards against discrimination. They simply adapt to whatever social formations exist. A world-historical example is slave trade. World markets functioned with slave trade and they functioned after slave trade. Global market mechanisms were thus no safeguard against the discriminatory practice of slave trade and the discriminatory social system of slavery. Contemporary international market mechanisms also exist within social-institutional structures and rules. For example, global agricultural markets are biased in favour of the agriculture of center countries. Global currency markets are biased so that the currencies of the poorer countries are undervalued,

which leads to unfair trade between periphery and center countries (Köhler 1998a,b; Köhler and Chaves 2003). Global labour markets are biased so that labour cannot freely migrate from periphery to center of the world. In other words, like in the era of slave trade, today's global markets adapt to existing global political-economic power relations and formations. Thus, global markets cannot be relied on as a safeguard against global economic discrimination.

(d) Ideological Discrimination

Ideological discrimination is discrimination embedded in perceptions, stereotypes and biased modes of reasoning. For several centuries, European and North American countries have been openly racist toward the rest of the world. At the time of Columbus, European theologians were debating whether the natives of Latin America, Africa and Asia had souls (i.e., whether they were humans at all). Otherwise admired men of history like George Washington and Voltaire had no trouble supporting the extermination of the savages. Kipling wrote a poem about "The White Man's Burden", which became a slogan for white supremacy on a world scale. Today, such views and attitudes still exist, even though they may be less overt (Mazrui 1994). An example of a specific biased mode of reasoning pertaining to international wage differences is the wage-productivity argument itself.

The Wage-Productivity Argument as Ideology: The wage-productivity argument lends itself to be abused as a justification for the payment of low wages, irrespective of whether the workers' productivity is really lower or not. International wage differences share this problem with gender wage differences. Thus, the claim that a woman should earn less than a man with the explanation that "women are less productive" is useful for employers as an ideology (a myth) that he may use to justify his unequal payment for a woman, even though her work output may be equal or superior to that of a man. Similarly, the claim that a worker in a poor country should earn less than a worker in a rich country with the explanation that "workers in poor countries are less productive" is useful for employers as an ideology (a myth) that they may use to justify their low payment for workers in poor countries, even though their work output may be equal or superior to that of a worker in a rich country.

8. Praxeology

How can the wages of the working people around the world be increased, especially the wages of the most poorly paid workers? Here are some suggestions.

Pressure from below: Another expression for "pressure from below" is "renegotiation of historically given wages" (Wallerstein 1978: 233). Given the multiple conflicts of interest in the world economy between high-wage and low-wage countries, high-income and low-income classes, those at the lower end need to organize, as always, as much strength as they can muster, in order to defend and promote their economic interests.

Improve the two kinds of productivity: My discussion of wages and productivity above suggests that, for the purpose of raising real wages, it is important to improve both physical and value productivity - namely, physical productivity through improved factor endowment, real investment, education and training, technological progress, and so on. There is broad agreement on that across the political spectrum. But that is not good enough; one must, for the purpose of raising real wages, also improve value productivity (money-valued productivity), which is related to product prices in the world market. (See next point.)

Improve world prices for goods and services provided by low-wage labour: The present ideology of free trade fosters global competition - competition between countries, between corporations, and between workers. These multiple competitions exert downward pressure on global prices and wages. In order to fight that trend, the prices of the goods and services of the low wage countries must be raised rather than lowered. For that one needs different global politics, ideology, and institutions.

Fight wage discrimination based on sex, race, ethnicity, culture and geographic location: The principle of "equal pay for work of equal value" is a demand of the North American women's movement, and "equal pay for equal work" is an old socialist demand. With respect to the global wage system, the principle of wage parity should be expanded to include the principle of global wage parity, as follows: "Equal wage for work of equal value, irrespective of geographic location".

Fight policy discrimination, structural discrimination, and ideological discrimination in the global economic system: One can point to various historical precedents that demonstrate that economic inequities can be reduced or abolished without damaging the prosperity of the system. These precedents include: (1) Pay equity for women has been promoted and partially implemented in various countries, yet the economies of those countries did not break down. (2) In the Europe of 1848 the call for an 8-hour workday and abolition of child labour were radical demands deemed detrimental to business, yet these demands were implemented in many countries without damaging the prosperity of those countries. (3) The United States economy survived the abolition of slavery in the 19th century.

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