

THE SHANGHAI EFFECT

Do Exports to China Affect Labor Practices in Africa?

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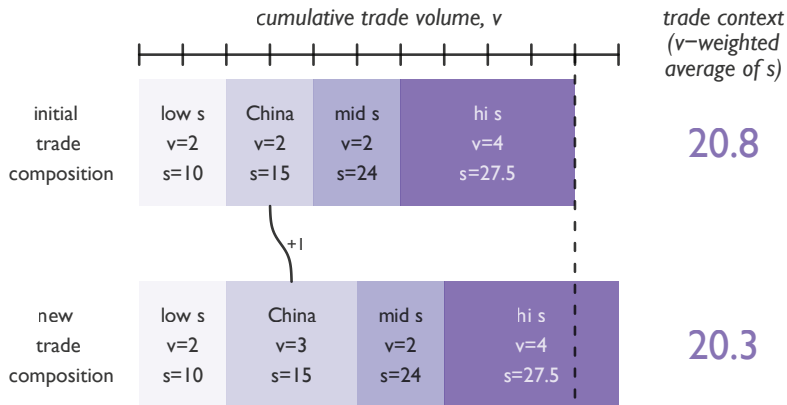
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[†]Center for Statistics and the Social Sciences

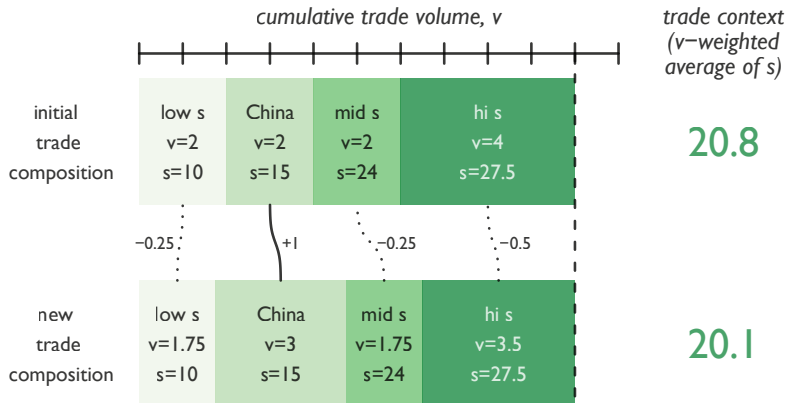
University of Washington, Seattle



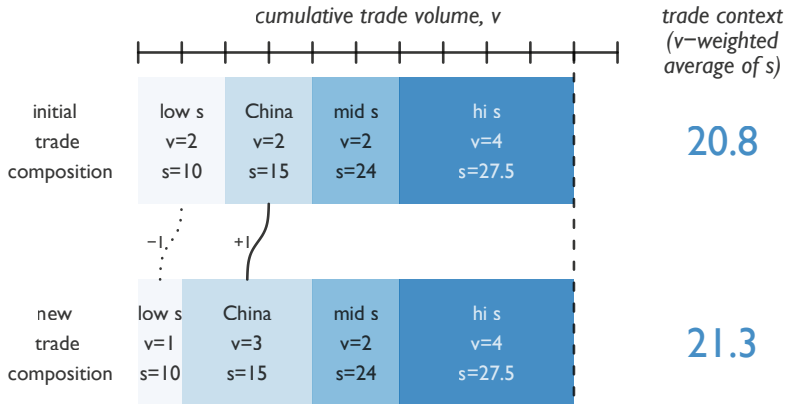
NEW CHINA TRADE ADDS TO TOTAL TRADE



NEUTRALLY REPLACES EXISTING TRADE



REPLACES LOW LABOR PRACTICE TRADE



REPLACES HIGH LABOR PRACTICE TRADE

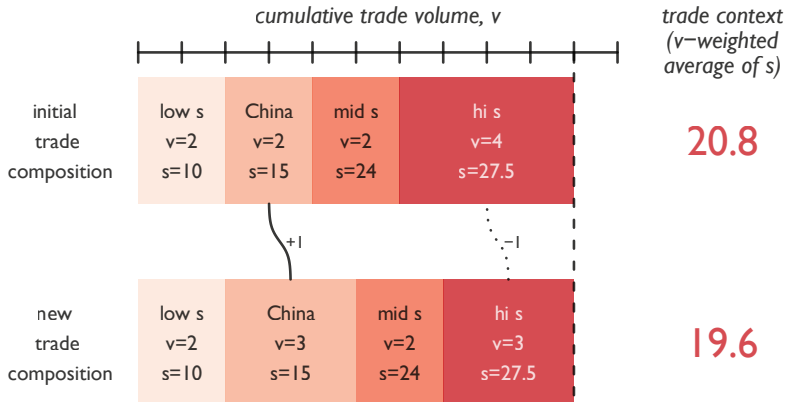


Table 1. Panel data regression of the practice of African labor standards, 1986–2002.

Covariate	Model 1		
	est.	se	<i>p</i>
Trade Context _{<i>t</i>-1}	0.166	0.077	0.031
Trade/GDP _{<i>t</i>-1}	-0.004	0.005	0.374
FDI/GDP _{<i>t</i>-1}	-0.027	0.034	0.424
Hard PTA _{<i>t</i>-1}	-0.647	0.647	0.317
Soft PTA _{<i>t</i>-1}	-1.032	0.291	<0.001
GDP per capita _{<i>t</i>-1}	-0.704	0.188	<0.001
Polity _{<i>t</i>-1}	0.061	0.022	0.007
Population _{<i>t</i>-1}	-0.529	0.114	<0.001
Civil War _{<i>t</i>-1}	0.299	0.321	0.351
Practice _{<i>t</i>-1}	0.525	0.032	<0.001
Constant	20.737	3.333	<0.001
<i>N</i>	708		
<i>R</i> ²	0.472		
AIC	3590.2		

*Country-Specific In-Sample
Expected Change in
Labor Practices Given...*

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I. CHANGE IN CHINA EXPORTS

Country-Specific In-Sample

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I. CHANGE IN CHINA EXPORTS

Exports to China

Set at Levels

Observed in 2009

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2. REPLACEMENT RULE

Country-Specific In-Sample

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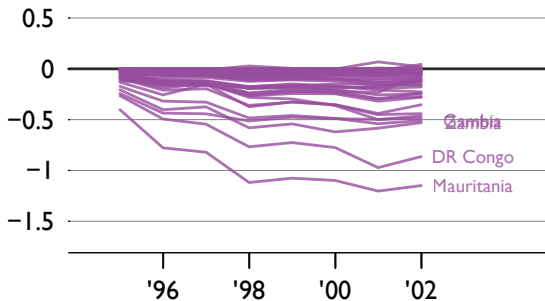
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Neutrally
Replaces
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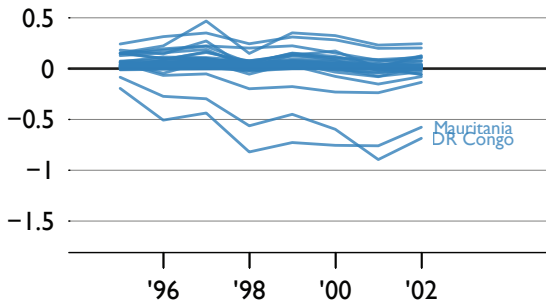
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2. REPLACEMENT RULE

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Low Labor
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Trade



Country-Specific In-Sample

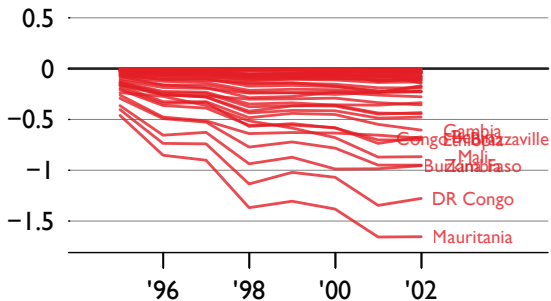
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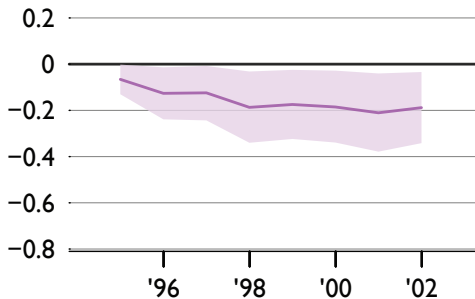
*Africa-Wide In-Sample
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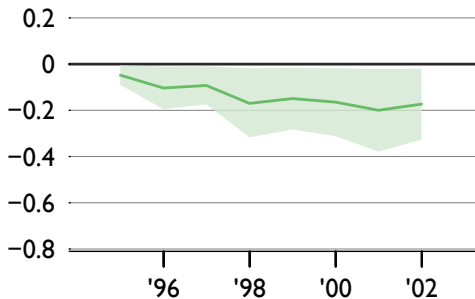
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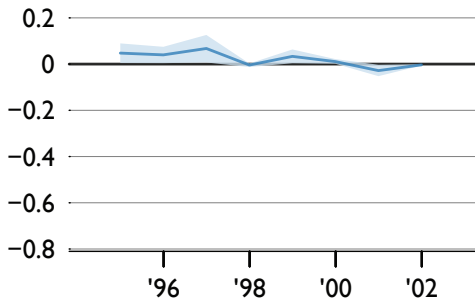
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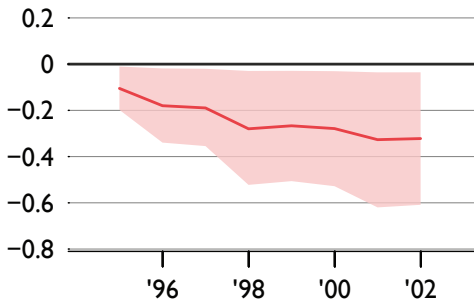
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Change in Labor Practices, Mosley & Uno scale

