

# ***Introduction and Overview***

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***2<sup>nd</sup> SARNET Training on Labour Economics for Young Scholars***

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# What is labour economics?

- “..is the study of the markets in which labor services are exchanged for wages.” Cahuc and Zylberberg (2004)
- “*Labor economics* is the study of the workings and outcomes of the market for labor. More specifically, labor economics is primarily concerned with the behavior of employers and employees in response to the general incentives of wages, prices, profits, and nonpecuniary aspects of the employment relationship, such as working conditions.” Ehrenberg and Smith (2012)

# **What is labour economics?**

- **In practice, it covers many topics such as unemployment, informality, wages, discrimination, job search, impact of labour market institutions, etc.**
  - **It is not just about “labour” = workers**
  - **Also includes enterprises, interaction between the two, impact of policies, linkages to other markets, etc.**

# **Labour and development**

- **Labour markets play a central role in development**
  - Labour market assumptions are present in development models – Lewis, Harris-Todaro, etc.
- **However, labour economics is largely a discipline of advanced economies**
  - How relevant are the theories and methodologies to developing countries, especial South Asia?
  - How can development and labour economics be brought together?

# **Introduction to programme**

- **South Asia Network on Employment and Social Protection for Inclusive Growth (SARNET)**
- **2<sup>nd</sup> training programme on labour economics for young scholars, which aims to**
  - **Enhance capacity and encourage research on labour market issues**
  - **Promote high-quality and innovative research in-line with and building on the global literature (not only in the region) and insights from international organizations (ILO)**
  - **Encourage collaboration among researchers across South Asia**

	Monday 1 December	Tuesday 2 December	Wednesday 3 December	Thursday 4 December	Friday 5 December	Saturday 6 December
<b>Morning session – 9:30 a.m. to 1 p.m.</b>	ARRIVAL	<p>Opening</p> <ul style="list-style-type: none"> <li>IHD, ILO, UN-ESCAP and IDRC</li> </ul> <p>Module 1: Introduction</p> <p>Lecturer: Duncan Campbell, ILO</p> <ul style="list-style-type: none"> <li>The Labour Market in Developing Countries</li> </ul>	<p>Module 2: Research methodologies</p> <p>Lecturer: Sher Verick, ILO</p> <ul style="list-style-type: none"> <li>Competitive labour markets</li> <li>Imperfect labour markets</li> </ul>	<p>Module 2: Research methodologies</p> <p>Lecturer: E. Madheswaran, CESP</p> <ul style="list-style-type: none"> <li>Empirical methods –multivariate analysis</li> </ul>	<p>Module 2: Research methodologies</p> <p>Lecturer: Badri. N. Rath, IIT-Hyderabad</p> <ul style="list-style-type: none"> <li>Panel data and time-series</li> </ul>	<p>Module 3: Labour market institutions and policies</p> <p>Lecturer: Sher Verick, ILO</p> <ul style="list-style-type: none"> <li>Labour market institutions in developing countries</li> </ul>
<b>Lunch – 1 – 2 p.m.</b>						
<b>Afternoon session – 2 – 5:30 p.m.</b>	ARRIVAL	<p>Module 1: Theory of labour markets</p> <p>Lecturer: J. Krishnamurty, IHD and former Senior Economist, ILO</p> <ul style="list-style-type: none"> <li>Models of employment and development</li> </ul>	<p>Module 2: Research methodologies</p> <p>Lecturer: J. Krishnamurty, IHD and former Senior Economist, ILO</p> <ul style="list-style-type: none"> <li>Indicators and definitions</li> </ul> <p>Lecturer: Sandip Sarkar, IHD</p> <ul style="list-style-type: none"> <li>Data and sources of labour market information</li> </ul>	<p>Module 2: Research methodologies</p> <p>Lecturer: E. Madheswaran, CESP</p> <ul style="list-style-type: none"> <li>Empirical methods –multivariate analysis</li> </ul>	<p>Special lecture: Discrimination</p> <p>Lecturer: E. Madheswaran, CESP</p> <p>Module 3: Labour market institutions and policies</p> <p>Lecturer: Sher Verick, ILO</p> <ul style="list-style-type: none"> <li>Role of LMIs in developing countries</li> <li>Empirical Evidence</li> </ul>	<p>Module 3: Labour market institutions and policies</p> <p>Lecturer: Sher Verick, ILO</p> <ul style="list-style-type: none"> <li>Active labour market policies</li> </ul>

	Monday 8 December	Tuesday 9 December	Wednesday 10 December	Thursday 11 December	Friday 12 December	Saturday 13 December
<b>Morning session – 9:30 a.m. to 1 p.m.</b>	<p>Module 4: Earnings, inequality, and labour market segmentation</p> <p>Lecturer: Sandip Sarkar, IHD and Balwant Singh Mehta, IHD</p> <ul style="list-style-type: none"> <li>Income inequality</li> <li>Other forms of inequality</li> </ul>	<p>Module 4: Earnings, inequality, and labour market segmentation</p> <p>Lecturer: Anushree Sinha, NCAER</p> <ul style="list-style-type: none"> <li>Gender inequalities and wage gaps</li> </ul> <p>Lecturer: Preet Rustagi, IHD</p>	<p>Special lecture: Evaluation of labour market policies</p> <p>Lecturer: Sher Verick, ILO</p>	<p>Module 5: Growth, structural transformation and employment</p> <p>Lecturer: Rizwanul Islam, former ILO Special Adviser</p> <ul style="list-style-type: none"> <li>The growth-employment nexus</li> </ul>	<p>Module 5: Growth, structural transformation and employment</p> <p>Lecturer: Iyanatul Islam, ILO</p> <ul style="list-style-type: none"> <li>Pro-employment macroeconomic policies</li> </ul>	<p>Group presentations of research proposals</p>
<b>Lunch – 1 – 2 p.m.</b>						
<b>Afternoon session – 2 – 5:30 p.m.</b>	<p>Special lecture: Conducting field work and survey design</p> <p>Lecturer: G.C. Manna, CSO, MoSPI</p>	<p>Module 4: Earnings, inequality, and labour market segmentation</p> <p>Lecturer: Arup Mitra, IEG</p> <ul style="list-style-type: none"> <li>Wage determination</li> <li>Wage–productivity relationship</li> <li>Wage differentials</li> </ul>	<p>Stata tutorial</p>	<p>Module 5: Growth, structural transformation and employment</p> <p>Lecturer: Rizwanul Islam, former ILO Special Adviser</p> <ul style="list-style-type: none"> <li>Structural transformation –</li> </ul>	<p>Module 5: Growth, structural transformation and employment</p> <p>Lecturer: Iyanatul Islam, ILO</p> <ul style="list-style-type: none"> <li>Pro-employment macroeconomic policies</li> </ul>	<p>Group presentations of research proposals</p> <p>Special lecture: Macroeconomic modelling of labour markets</p> <p>Lecturer: Selim Raihan, University of Dhaka</p> <p>Closing</p>

# Group exercise

- **Split into groups of 4**
- **You will need to decide on:**
  1. **Research topic – What is your research question?**
  2. **Literature – What are the key studies in this area?**
  3. **Data and methodology – What data would you use to analyze the issue? What methodology would you use?**
  4. **Policy implications – What is the relevance of your topic for policymakers?**
- **Presentation on the last day to the group plus experts – 15-20 minutes with feedback and Q&A**
  - **Choose a representative to make the presentation**