

Course title: Labour Economics				
Course code: MPE 174	No. of credits: 3	L-T-P: 42-0-0	Learning hours: 42	
Pre-requisite course code and title (if any): 10+2 level knowledge of mathematics.				
Faculty: Dr. Shantanu De Roy		Department: Department of Policy Studies		
Course coordinator: Dr. Shantanu De Roy		Course instructor: Dr. Shantanu De Roy		
Contact details: shantanu.roy@terisas.ac.in				
Course type: Elective		Course offered in: Semester 4		
Course description The course will cover changes in the nature of work that has taken place with the advent of and changes in the nature of capitalism. Students in this course will get exposed to macroeconomic theories of wages and analysis of labour markets. The third component incorporates political economy analysis of labour in the process of production in rural and urban settings with an emphasis of informalisation of labour in the latter. One of the primary focuses in this course will be to locate the role of women in capitalist production and accumulation. Lastly, the course covers the impact of contemporary globalisation on labour and recent debates on flexibility of Indian labour laws, incorporating the role of state which is a direct fall out of globalisation.				
Course objectives <ul style="list-style-type: none"> • Acquaint students with the contribution of labour in the process of capitalist development. • Exposing students to diverse labour relations in urban and rural settings under capitalism. • To enable students to understand the crucial role of women in the process of production. • To understand the relationship between current phase of globalisation and labour while incorporating the role of Indian state. 				
Course contents				
Module	Topic	L	T	P
1	Meaning/concept of labour	2		
2	Labour markets and theories of wage -Classical, New Keynesian and Keynesian perspectives	6		
3	Agrarian relations and labour in rural India -Evolution of the class of agricultural labourers in India -Agrarian relations and labour contracts: A theoretical perspective -Non-farm sector and rural labour	10		
4	Urban informal labour -Migration from the villages to cities and the growth of informal workforce -Livelihood situation of urban informal labour	7		
5	Gender, caste and labour -Accounting women's work -Impact of the policies of globalization on women's work	7		
6	State, globalisation and labour -The role of state in a globalised world and the emergence and growth of an informal sector -Labour market regulations and its impacts on employment and industrial performances	10		
	Total	42		
Evaluation criteria:				
1. Test 1: Written test [after the completion of modules 1 and 2] – 20%				
2. Test 2: Submission of a term paper [after the completion of module 3] – 30% Students will be asked to write an essay (in 2000 words) on a given topic. They will be assessed based on (a) answering the question, (b) maintaining word limit, (c) in-depth understanding of the topic, (d) strength of argument, (e) clarity of argument and (f) proper referencing.				
3. Test 3: Presentation [after the completion of modules 1 to 5] – 20% There will be individual presentation of students based on the topics covered in the course. Topic(s) will be selected by the students; it will be related to the modules covered in the course.				
4. Test 4: Written test [at the end of the semester, entire syllabus] – 30%				

Learning outcome:

- Students will develop a critical understanding regarding history of work and theory of wages [test 1]
- Command in-depth understanding regarding rural and urban labour. Students will also be able to critically understand how the social constructs like gender and caste impacts labour [tests 2 and 3]
- Students will develop an understanding of labour as social relations of production that will enable them to locate it in that perspective rather than locating labour simply as a factor of production [test 4]

Pedagogical approach:

- Key importance of class interactions and discussions
- Presentations by students

Course Reading Materials (* = compulsory readings)**Optional textbooks:**

1. Keynes, J. M. (1935). *The General Theory of Employment, Interest and Money*. Atlantic Publishers and Distributors (P) Ltd, New Delhi, India.
2. Akerlof, G. A and J. L. Yellen. (1986). *Efficiency Wage Models of the Labour Market*. Cambridge University Press.
3. Chakravarty, S. (ed.) (1990). *The Balance between Industry and Agriculture in Economic Development: Volume 3*, Manpower and Transfers. Macmillan Press, London.
4. Banerjee, D. and Goldfield, M. (eds.) (2007). *Labour, Globalisation and the State: Workers, Women and Migrants Confront Neoliberalism*. Routledge, London and New York.
5. Marx, K. (1976). *Wage, Labour and Capital & Value, Price and Profit*, International Publishers, New York.
6. Khera, R (2011). *The Battle for Employment Guarantee*, Oxford University Press, New Delhi.

Module I. Meaning/concept of labour

Bhattacharya, Sabyasachi (2014). Introduction, in Bhattacharya, S. (ed.), *Towards a New History of Work*, Tulika Books, New Delhi, India.

Edgell, Stephen (2012). The Transformation of Work: From Work as an Economic Activity to Work as Employment (Chapter 1) in *The Sociology of Work: Continuity and Change in Paid and Unpaid Work*. Sage Publications Ltd.

[Through these readings students will be able to understand the transformation of work with development of capitalism and related changes in production relations]

Module II. Theories of wage**• Theories of wage**

Smith, Stephen (2003). Wage Determination and Inequality (Chapter 3) in *Labour Economics 2nd edition*, Routledge, London and New York.

[Pre-Keynesian understanding of wage determination in the labour market]

Shapiro, Carl and Joseph, Stiglitz (1986). Equilibrium Unemployment as a Worker Discipline Device in Akerlof, G. A and J. L. Yellen (eds.), *Efficiency Wage Models of the Labour Market*. Cambridge University Press.

[New-Keynesian understanding of wage determination in the labour market]

Keynes, J. M. (1935). Changes in Money Wages (Chapter 19) in *The General Theory of Employment, Interest and Money*. Atlantic Publishers and Distributors (P) Ltd, New Delhi, India.

[Keynesian understanding of wage determination in the labour market]

Marx, K. (1976). *Wage, Labour and Capital & Value, Price and Profit* (Chapter 2-7).

[Marxian understanding of wage determination and relation of wage-labour to capital]

Bowles, Samuel and Herbert, Gintis (1990). "Contested Exchange: New Microfoundations for the Political Economy of Capitalism", *Politics and Society*, 18(2).

[Analyses the political relationship between the employers and workers with a model of contested exchange]

Module III. Agrarian relations and labour in rural India

- **Evolution of the class of agricultural labourers**

Patnaik, Utsa (1983). "On the Evolution of the Class of Agricultural Labourers in India", *Social Scientist*, 11(7).
[This paper analyses economic processes that had led to the creation of agricultural labourers in India]

- **Rural labour relations in India**

Dreze, Jean. P. and Mukherjee, Anindita (1990). Labour Contracts in Rural India: Theories and Evidence, in Chakravarty, Sukhamoy (1990). *The Balance Between Industry and Agriculture in Economic Development: Volume 3, Manpower and Transfers*. Macmillan Press, London.

Mohan Rao, J (1999). Agrarian Relations and Unfree Labour in Byres, T. J. et. al (eds.). *Rural Labour Relations in India*, Routledge, London and New York.

[These two readings provide theoretical analysis of labour relations in rural India]

- **Labour and rural non-farm sector**

Himanshu et. al. (2011). *Non-Farm Diversification and Rural Poverty Decline: A Perspective From Indian Sample Survey and Village Study Data*, Working Paper no. 44. LSE Asia Research Centre. London, United Kingdom.
[This paper analyses occupational diversification in the rural areas of India and its importance in ensuring livelihood security to the workers]

Dreze, J. (2011). Employment Guarantee and the Right to Work, in Khera (ed.) *The Battle for Employment Guarantee*, Oxford University Press, New Delhi.

[Analyses history and the debates related to the NREGA]

Module IV: Urban informal labour

- **Types of Informalisation**

Standing, Guy (2011). The Precariat (Chapter 1) in *The Precariat: The New Dangerous Class*, Bloomsbury Academic, London and New York.

[Students will be able to understand the emergence of informal sector workers across the world and its associated vulnerabilities].

- **Urban informal sector in India**

Breman, Jan (1996). "Inflow of Labour into South Gujarat (Chapter 3)", in *Footloose Labour: Working in India's Informal Economy* (1996), Cambridge University Press, London.

[Explains the widely prevalent phenomena of migration from villages to towns and conditions of employment of informal workers]

NCEUS (2007). "Towards Protection and Promotion of Livelihoods of Unorganised Workers (Chapter 12)", in the *NCEUS Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector* (2007), Government of India, New Delhi.

[This government report analyses economic situation of informal workers and measures to enhance their livelihood security]

Module V: Gender, caste and labour

- **Gender and labour**

Banerjee, Nirmala (1999). "Analysing Women's Work Under Patriarchy" in Sangari, Kumkum and Chakravarti, Uma (eds.) (1999), *From Myths to Markets: Essays on Gender*, Indian Institute of Advanced Study, Shimla and Manohar Publishers and Distributors, New Delhi, India.

Banerjee, Nirmala (2004). "Globalization and Women's Work" in Bhattacharya, Malini (2004) (ed.), *Globalization: Perspectives in Women's Studies*, Tulika Books, New Delhi, India.

Beneria, Lourdes (1992). "Accounting for Women's Work: The Progress of Two Decades", *World Development*, 20(11), pp. 1547-1560.

[These papers will enable the students to understand the problems in measuring women's work. It will also enable them to understand women's work under patriarchy and globalization]

- **Caste discrimination and labour**

Thorat, Sukhadeo (2008). "Labour Market Discrimination: Concept, Forms and Remedies in the Indian Situation", *The Indian Journal of Labour Economics*, 51(1).

[This paper discusses types of discrimination that exist against vulnerable social groups in the Indian labour market]

Duraisamy, P and Duraisamy, Malathy (2017): "Social Identity and Wage Discrimination in the Indian Labour Market", *Economic and Political Weekly*, 52(4).

[This paper explores the relationship between caste identity and wage discrimination in the Indian labour market]

Module VI: State, globalisation and labour

- **An overview of the relationship between the labour and state in contemporary globalisation**

Banerjee, Debdas and Goldfield, Michael (2007). Neoliberal globalization, labour and the state in Banerjee, Debdas and Goldfield, Michael (eds.) (2007), *Labour, Globalisation and the State: Workers, Women and Migrants Confront Neoliberalism*. Routledge, London and New York.

[Analyses the contemporary nature of capitalism and the role of state vis-à-vis labour]

- **Globalisation and informalisation of labour**

Sanyal, Kalyan and Bhattacharya, Rajesh (2009). "Beyond the Factory: Globalisation, Informalisation of Production and the New Locations of Labour", *Economic and Political Weekly*, 44(22).

[Analyses changes in the conditions of employment with the current phase of globalization]

Roy, Satyaki (2014). "Informality' and Neo-liberalism: Changing Norms and Capital's Control" in Kannan et al (eds.) *Labour and Development: Essays in Honour of Professor T. S. Papola*, Academic Foundation, New Delhi- 215-234.

[This paper questions the notion of 'informality' as a transitory feature of capitalism]

- **Analysing labour market reforms in India**

NCEUS (2009). "Labour Law Reforms: Beyond a Narrow Agenda (Chapter 7)", in *The Challenge of Employment in India: An Informal Economy Perspective*, Government of India, New Delhi.

Bhattacharjea, Aditya (2006). "Labour Market Regulation and Industrial Performance in India: A Critical Review of the Empirical Evidence", *The Indian Journal of Labour Economics*, 49(2).

[These two readings questions the arguments that reforms in labour laws will be beneficial for the informal workers, lead to increase in employment and overall industrial development].

Advanced Reading Material

Additional information (if any)

Student responsibilities: Attendance, feedback, discipline: as per university rules.

Course Reviewers:

Professor Sumangala Damodaran, School of Development Studies, Ambedkar University Delhi.

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