

Course title: Labour Economics				
Course code: MPE 188		No. of credits: 4	L-T-P: 60-0-0	Learning hours: 60
Pre-requisite course code and title (if any): 10+2 level knowledge of Mathematics and Macroeconomics (MPE 121)				
Department: Department of Policy and Management 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: Third semester		
Course description: The course discusses contributions of labour in the process of economic development. It locates, historically, changes in the nature of work at different phases of development. Students in this course will get exposed to macroeconomic theories of wages and analysis of labour markets. Further, it incorporates the political economy analysis of labour in the process of production in rural and urban settings with an emphasis of informalisation. The course also brings into discussion the contribution of labour in promoting sustainable rural livelihoods in the non-farm sector through the implementation of the MGNREGS. Students will be acquainted with the relationship between gender and the institution of caste in the processes of production. Impacts of contemporary globalisation on labour and contemporary debates on flexibility of Indian labour laws, incorporating the role of state which is a direct fall out of globalisation, is covered in the course as well.				
Course objectives: <ol style="list-style-type: none">1. To familiarize students with the history of work, functioning of labour markets and determination of wage.2. To provide exposure to the students with diverse labour relations in urban and rural settings.3. To familiarise students regarding the role of labour in creating resilience of rural households to different climate shocks.4. To study the relationships between gender and labour and caste and labour.5. To critically examine the relationship between current phase of globalisation and labour while incorporating the role of Indian state.				
Course contents				
S. No	Topic	L	T	P
1	Module 1. Meaning/concept of labour	3		
2	Module 2. Labour markets and theories of wage 2.1 Classical, New Keynesian, Keynesian, and search friction frameworks	12		
3	Module 3. Agrarian relations and labour in rural India 3.1 Evolution of the class of agricultural labourers in India 3.2 Agrarian relations and labour contracts: A theoretical perspective 3.3 Non-farm sector and rural labour	13		
4	Module 4. Urban informal labour 4.1 Types and nature of informalisation 4.2 Migration and livelihood situation of urban informal labour in India	10		
5	Module 5. Gender, caste and labour 5.1 Gender and labour 5.2 Caste discrimination and labour	10		
6	Module 6. State, globalisation and labour 6.1 An overview of the relationship between the labour and state in contemporary globalisation 6.2 Globalisation and informalisation of labour 6.3 Labour market reforms in India	12		
	Total	60		
Evaluation criteria: <ol style="list-style-type: none">1. Minor 1: Written test [after the completion of modules 1 and 2] – 20%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. **Presentation** [after the completion of module 5] – 20%
There will be individual presentation of students based on the topics covered in the course. Topic(s) will be related to the modules covered in the course.
4. **Major exam: Written test** [at the end of the semester, entire syllabus] – 30%

Learning outcomes:

1. Students will develop a critical understanding regarding history of work and theory of wages [minor 1]
2. Ability to evaluate diverse rural and urban labour relations and the role of labour in mitigating shocks related to climate change. Students will also understand linkages between social constructs like gender and caste and labour [Term paper and presentation and 3].
3. Students will be able to assess the impacts of globalisation on labour. They will develop 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 [major exam].

Pedagogical approach:

-- Key importance of class interactions and discussions.

CORE reading materials

Module 1. 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 2. Labour markets and theories of wage

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

[Classical 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. (1849). *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 Micro-foundations for the Political Economy of Capitalism", *Politics and Society*, 18(2).

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

Mortensen, Dale T. (2011). "Markets with Search Friction and the DMP Model", *American Economic Review*, 101(4).

[Analyses the roles that search, and frictions play in the functioning of labour markets.]

Module 3. Agrarian relations and labour in rural India

3.1 Evolution of the class of agricultural labourers in India

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]

3.2 Agrarian relations and labour contracts: A theoretical perspective

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]

3.3 Non-farm sector and rural labour

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, an important component of rural non-farm jobs.]

Steinbach, Dave et al (2017). *Building Resilience to Climate Change: MGNREGS and Drought in Jharkhand*, Issue Paper, International Institute for Environment and Development, London, United Kingdom

[Analyses role of the MGNREGS in creating resilience of rural households to different climate shocks]

Tiwari, Rakesh et al (2011). "MGNREGA for Environmental Service Enhancement and Vulnerability Reduction: Rapid Appraisal in Chitradurga District, Karnataka", *Economic and Political Weekly*, 46(20).

[This paper examines and assesses the environmental implications of the activities implemented under the NREGA]

Module 4: Urban informal labour

4.1 Types and nature 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 that the informal sector is being considered as being excluded, a catastrophe under capitalism rather than its normal functioning.]

Bhattacharya, Saumyajit (2018). "Comprehending the 'in-formal': Formal-Informal Conundrum in Labour under Capitalism" (Chapter 11) in Ghosh Dastidar, Ananya, Malhotra, Rajeev and Suneja, Vivek (eds.). *Economic Theory and Policy Amidst Global Discontent: Essays in Honour of Deepak Nayyar*. Routledge. London and New York.

[Through this reading the students will be able to understand that informality is not the 'other' but which is always present in strategies of capital which labour fights for contesting and negotiating subjugation.]

4.2 Migration and livelihood situation of urban informal labour 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 5: Gender, caste and labour

5.1 Gender and labour

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

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.

[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.]

Hirway, Indira and Jose, Sunny (2011). "Understanding Women's Work Using Time-Use Statistics: The Case of India", *Feminist Economics*, 17(4).

[The paper shows that the time use surveys has built-in advantages that lead to improved estimates and understanding of the workforce.]

5.2 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 forms of discrimination that exist against vulnerable social groups in the Indian labour market]

Ito, Takahira (2009). "Caste Discrimination and Transaction Costs in the Labour Market: Evidence from Rural North India", *Journal of Development Economics*, 88(2).

[The paper discusses existence of transaction costs against backward castes regarding access to regular employment].

Module 6: State, globalisation and labour

6.1 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 development and the role of state vis-à-vis labour]

6.2 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 the development process.]

6.3 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.

Roychowdhury, Anamitra (2018). "A Critical Examination of the Labour Market Flexibility Debate in India" (Chapter 2), *Labour Law Reforms in India: All in the Name of Jobs*, Routledge, London and New York.

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 three readings critically examine the nature of reforms in labour laws, whether these reforms are beneficial for the workers employed informally, thereby leading to overall increase in employment and industrial development.]

Additional information (if any): Course prepared by Dr. Shantanu De Roy

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

Course Reviewers:

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

Dr. Satyaki Roy, Associate Professor, Institute for Studies in Industrial Development, Vasant Kunj, New Delhi.