

Informality, poverty and growth: Labour markets in China and India

Research design workshop

April 2-3rd, 2007
Harvard University

Introduction and overview

- Evolution of the project
- Activities to initiate research and policy dialogue on informal employment in China.
- Creation of a network of scholars and policy makers – team- and capacity- building
- China-India collaboration drawing on India's extensive experience of data collection, research and policy advocacy
- Seminars and exchange activities leading to development of joint research program

Main activities to date

- Network and exchange among researchers and policy makers
- Establishment of a Center for Informal Employment based at Fudan University, Shanghai (led by Professor Xizhe Peng)
- Annual training program and seminars with international experts (funded by the Ford Foundation)
- An exchange between Chinese and Indian scholars and policy makers through a visit by a Chinese team to India in February 2007 (funded by IDRC)
- Research Design Workshop

Overall Goals of Project

- Understanding the structure, trends, and dynamics of labor markets – especially informal employment – under conditions of rapid economic growth, reform and liberalization
- Promote an appropriate policy and regulatory environment and other measures in support of the working poor, especially women, in the informal economy
- Focus on employment – especially informal, precarious and vulnerable forms; and the links with poverty and growth

Significance

- Employment is primary channel through which growth translates into better living standards, poverty reduction and welfare
- Quantity and quality of employment as key pathway to understanding and addressing poverty
- Analysis of structure, trends, and dynamics of labor markets is key to understanding the social outcomes of economic growth and global integration
- Employment as neglected element of recent development debates and policies

Why China and India?

- Major economies, growing rapidly
- Different employment structures
- Employment responds differently to growth
- Given the size of the labor force, analysis of employment and labor market trends is critical to understanding economic and social outcomes of rapid growth and liberalization

Contribution – Informal Employment

- Comparative and international perspectives on defining, conceptualising and measuring the labour force and in particular informal employment
- A focus on the working poor, especially women, and those in the most disadvantaged forms of work
- Linkages: how does growth translate into poverty reduction and employment in both countries?
- Combination of data methodology and analysis with detailed case studies

Contribution – Comparative Studies

- Other studies focus on changes in the economy overall, drivers of change, external impacts, and overall trends in e.g. poverty and inequality
- This project will focus on
 - labor and employment (rather than economy)
 - employment trends and status (in addition to general economic trends) as important determinants of economic and social outcomes
 - outcomes (rather than drivers) but also implications for / linkages to drivers

Framework of the Project

- # 1 – *research, data collection and analysis* –3 components; focus of workshop
- # 2 - *exposure and learning exchanges*: e.g. SEWA delegation to China to learn about its social protection policies and schemes
- # 3 – *policy dialogues*: e.g. on particular laws, policies, and schemes, and to incorporate research findings into policy deliberations
- # 4 – *policy and practice documentation*: to document innovative policies, laws, regulations, schemes, programs, and organizing efforts, including lessons learned

Research Component 1: National statistics – sources and methods

- Clarification and improvement of *definitions* and classification of employment
- Improved identification of categories of employment, especially informal
- Review of data sources, instruments and methods
- Pilot surveys to improve instruments, test new definitions and questions, and improve production of statistics with inputs from users

Research Component 2: Data analysis

- Review of existing data: possibilities and gaps
- Analysis of existing statistical data (national or sample surveys) to provide comparative picture of labor force in two countries
- Analysis of structure of employment, earnings and productivity, characteristics of workers, by sex, poverty risk, etc.
- Analysis of city / rural area data to undertake comparative studies of rural/urban areas; more / less developed region

Component 3: Qualitative case studies

- Collect in-depth information on employment and employment relations through studies using e.g. value chain, sub-sector methodologies
 - To illuminate patterns of inclusion, links between formal/informal production, poverty, productivity and earnings, etc.
- Bring a labor perspective and focus on workers into value chain and sub-sector analyses
- Provide relevant feed-back on different employment arrangements to inform statistical data collection

Cross-cutting themes

- Gender - women are disproportionately concentrated in informal employment
- Migration and labour mobility
- Policy, legal and institutional environment
- Policy issues: Social protection for informal workers

Concluding remarks

- Overview of agenda
- Presentations: previous work, project objectives and proposed activities
- Purpose of workshop
 - research design and proposal development
 - support in refining questions, approach and methods
 - identify additional work, potential partners or collaborators