

South Asian University

Faculty of Economics

Winter Semester

Topics in Urban and Labour Economics

Credits: 4

Course Description

This course covers topics in urban development and issues relating to labour market functioning. Both, the theoretical underpinnings and the empirical artefacts are discussed keeping in view the perspective of a developing economy. The key drivers of urban growth, the heterogeneity involved in the process of urbanization, possible benefits accruing in terms of higher productivity to the firms and higher real wages to the employees are some of the thrust areas that the course proposes to highlight. Besides, the job search strategies followed by the workers and different means adopted by the companies to identify appropriate workers, the functioning of the informal sector in relation to the formal sector, the outcomes of mobility and variations in wages across activities comprise another set of issues covered within the purview of this course. The following is a tentative list of topics and readings to be covered in the class.

Evaluation

Grading will be done on the basis of a midterm and a final examination with one-fourth and three fourth weights respectively.

1. Agglomeration Economies and Diseconomies, Productivity and Cities, Urban Systems (Primacy, Rank Size Rule, Zip's Law)

Wan, Guanghua and Ming Lu (ED.) (2019). Cities of Dragons and Elephants: Urbanization and Urban Development in China and India Published by Oxford University Press (UK).

Mitra, Arup (2020). *Urban Headway and Upward Mobility in India*, Cambridge University Press.

Henderson, J. V. (1988). *Urban development: Theory, fact and illusion*. New York: Oxford University Press.

Mills, E. S. (1967). An aggregate model of resource allocation in a metropolitan area. *American Economic Review*, 57, 197–210.

Mills, E. S., & Becker, C. (1986). *Studies in Indian urban development*. Washington, D.C.: Oxford University Press/World Bank Research Publication.

Mills, E. S., & Mitra, A. (1997). *Urban development and urban ills*. New Delhi: Commonwealth Publishers.

Thomas, S. (2008), Urbanisation as a driver of change, *WIT Transactions on Ecology and the Environment*, Vol 117.

2. Rural-Urban Development Disparity, Migration, Growth, Inequality and Poverty

Wan, Guanghua and Ming Lu (ED.) (2019) *Cities of Dragons and Elephants: Urbanization and Urban Development in China and India* Published by Oxford University Press (UK).

Islam, R.(2019) *Full and Productive Employment in Developing Economies: Towards the Sustainable Development Goals*, Routledge

Lall, S. V., Selod, H., & Shalizi, Z. (2006). Rural-urban migration in developing countries: A survey of theoretical predictions and empirical findings. Washington, D.C.: Development Research Group, The World Bank

Tripathi, S. (2018) “Source of Inequality in Consumption Expenditure in India: A Regression-Based Inequality Decomposition Analysis”, *Journal of Income Distribution*

3. Cities, Housing, Slums and Well-being

Mitra, A. and Nagar, J. P. (2018). City size, deprivation and other indicators of development: Evidence from India. *World Development*. Vol. - 106, 2018. pp 273-283

Das, S. Mitra, A. and Kumar, R. (2016). Do Neighbourhood Facilities Matter for Slum Housing? Evidence from Indian Slum Clusters. *Urban Studies*. 2016.

Satterthwaite, David and Mitlin, Diana, Reducing Urban Poverty in the Global South (London & New York: Routledge, 2014).

Edleman, B. and A. Mitra (2006) Slum Dwellers' Access to Basic Amenities: The Role of Political Contact, its Determination and Adverse Effects, *Review of Urban and Regional Development Studies*, 18 (1) pp. 89-125.

4. Functioning of Urban Labour Market: Formal and Informal Sectors, Linkages and Prospects

La Porta, Rafael and Andrei Shleifer, (2014), Informality and Development, *Journal of Economic Perspectives*—Volume 28, Number 3, Pages 109–126.

Datta-Chaudhuri, T. (1989), A Theoretical Analysis of the Informal Sector, *World Development*, Vol. 17, No.3.

Papola, T. S. (1981). *Urban informal sector in a developing economy*. New Delhi: Vikas Publishing House.

Peattie, Lisa, (1987), An Idea in Good Currency and How It Grew: The Informal Sector, *World Development*, Vol.15, No.7

Mitra, A. (2005). Women in the urban informal sector: Perpetuation of meagre earnings. *Development and Change*, 36 (2), 291–316

5. Job Search, Livelihood Opportunities and Upward Mobility: Social Capital and Role of Networks

Ioannides, Y. M., & DatcherLoury, L. (2004). Job information networks, neighbourhood effects and inequality. *Journal of Economic Literature*, XLII , 1056–1093.

Kono, H. (2006) “Employment with Connections: Negative Network Effects,” *Journal of Development Economics*, 81 (1) pp. 244–258.

Mitra, A. (2010) “Migration, Livelihood and Well-being: Evidence from Indian City-Slums,” *Urban Studies*, 47 (7) pp. 1371-1390.

Elliott, J. (1999) "Social Isolation and Labour Market Insulation: Network and Neighbourhood Effects on Less-educated Urban Workers," *Sociological Quarterly*, 40 (2) pp. 199–216.

Fields, G.S. (2000) "Income Mobility: Concepts and Measures" in Birdsall N. and C. Graham (eds.) *New Markers, New Opportunities? Economic and Social Mobility in a Changing World*, Washington, D.C.: Brookings Institution and Carnegie Endowment for International Peace.

Mortensen, D. (1986). Job search and labour market analysis. In O. Ashenfelter & R. Layard (Eds.), *Handbook of labour economics*. Amsterdam: North-Holland.

6. Determination of Wages and Inter-sector Variations in Wages

Abowd, John et.al. (2012), Persistent inter-industry wage differences: rent sharing and opportunity costs, *IZA Journal of Labor Economics*, Dec.

Dutta, P V (2007): "Trade Protection and Industry Wages in India," *Industrial and Labour Relations Review*, Vol 60, No 2, pp 268–86.

Krueger, A. B., & Summers, L. H. (1988). Efficiency wages and the inter-industry wage structure. *Econometrica*, 56 (2), 259–293.

Rycx, Francis and Tojerow, Ilan, (2007), Inter-Industry Wage Differentials: What Do We Know?, Dans **Reflets et perspectives de la vie économique 2007/2-3**

7. Social Transformation: Caste and Gender Perspective

Tacoli, C. (2012), Urbanization, gender and urban poverty: paid work and unpaid care-work in the city, IIED, Population and Development Branch.

Schnaiberg, A. (1971) The Modernizing Impact of Urbanization: A Causal Analysis, *Economic Development and Cultural Change* Vol. 20, No. 1 (Oct., 1971), pp. 80-104

Stroope, S. (2012), Caste, Class, and Urbanization: The Shaping of Religious Community in Contemporary India, February 2012, *Social Indicators Research* 105(3):499-518

8. Labour Market Segmentation and Urban Transport

Dayal, V., P. Kapuria and A. Mitra (2012), Modes of transport, basic amenities and Wellbeing, Findings from Delhi City, *Journal of Urban Regeneration and Renewal*, Vol 5, No.3.

Cities On The Move, A World Bank Urban Transport Strategy Review, 2002.

9. Urban and Labour Market Policy

Sustainable urbanization strategy: UNDP's support to sustainable, inclusive and resilient cities in the developing world, 2016..

Bhattacharjea, Aditya (2006), Labour Market Regulation and Industrial Performance in India: A Critical Review of the Empirical Evidence. *Indian Journal of Labour Economics*, 49 211–232

Deakin , S.(2013), Addressing labour market segmentation: The role of labour law, Working Paper No. 52, Governance and Tripartism Department International Labour Office • Geneva October

ILO-SAAT. (1996). Economic reforms and labour policies in India. New Delhi: ILO-SAAT.

10. Other Issues: Urban Sprawl and Census Towns, Waste Disposal

Tripathi, Sabyasachi & Mitra, A. (2022). Shedding light on unnoticed gems in India: A small town's growth perspective, *Land Use Policy*, Vol. 120(C).

Kihila, J. M. et. al. (2021). Waste segregation and potential for recycling -A case study in Dar es Salaam City, Tanzania