

Reforming Minimum Wage and Labor Regulation Policy in Developing and Transition Economies

Conference at Beijing Normal University, October 18-19, 2014

Organized by

Haroon Borat (University of Cape Town)

Ravi Kanbur (Cornell University)

Li Shi (Beijing Normal University)

Labor regulations are a central aspect of the policy discourse in developing and transition economies, with diametrically opposite perspectives dominating the debate. On the one hand are those who think such regulation is inimical to both efficiency (because of distortions of incentives to enterprises) and equity (because they create a divide between insiders who are protected by the regulations and outsiders who are not). Opposing them are those who support regulation because it can correct market failure (for example, when there is high degree of employer power) and enhance equity through ensuring better conditions of work. While the discourse traverses the whole of gamut of labor regulations, minimum wage laws are particular point of focus in the debate.

There are at least two reasons why this sharp dichotomy is not useful in the policy debate. First, the polarizing nexus is not conducive to identifying empirically the conditions under which regulations do and do not contribute to equity and efficiency. Second, both ends of the policy stance in effect assume full enforcement of the regulation, which is indeed far from empirical reality. Policy decisions on enforcement thus become an indispensable part of the agenda.

This workshop will bring together the best research on labor regulation and their enforcement in developing and transition economies to assess context specific directions of reform. The workshop will go over two days, and will involve the presentation and discussion of around 15 papers in total. There would be a policy panel on the second day of the conference, and key policy makers would be invited to interact with researchers and their findings.

Conference Agenda

October 17

Participants arrive (Jingshi Hotel 京师大厦)

October 18

Venue: Jingshi Xue Tang 京师学堂, 北京师范大学

8.30-9.00 Registration

Venue: Jingshi Hall 京师厅

9.00-10.30 **Session I: Opening Session** (会议开幕, 中文及英文, 备有同声传译)

Moderator: Song Xiaowu (*China Society of Economic Reform*)

Welcome from the President of Beijing Normal University

Welcome from IDRC representative: Edgard R. Rodriguez (*IDRC Canada*)

Keynote from the Chinese Academy of Social Sciences: Cai Fang (*CASS*)

Keynote from the Chinese Dignitary: Nie Shengkuei (*Director of the Department of Industrial and Labor Relations, Ministry of Human Resources and Social Security of PRC*)

10.30-11.00 Break and Photo

(30 minutes each paper, including 20 minutes presentation, 10 minutes Q&A)

11.00-12.30 **Session II: Political Economy of the Minimum Wage** (最低工资与政治经济学)

Chair: Ravi Kanbur (*Cornell University*)

Reforming Minimum Wage and Labor Regulation Policy in Developing and Transition Economies

Ximena del Carpio (*World Bank*)

Effective Labor Regulation

Lucas Ronconi (*Centro de Investigacion y Accion Social Argentina*)

Minimum Wages in a Highly Decentralized System: Challenges and Options for Reforms for Indonesia

Wawan Purnagunawan (*Padjadjaran University*)

Mattia Makovec (*World Bank*)

Vivi Alatas (*World Bank*)

12.30-2.00 Lunch (Buffet at Jingshi Hotel)

- 2.00-3.30 **Session III: Gender and Employment** (最低工资对性别与就业的影响)
Venue: The Third Meeting Room 第三会议室
Chair: Edgard R. Rodriguez (*IDRC Canada*)
- Minimum Wages and Employment Transitions: Longitudinal Evidence from China**
Tony Fang (*Monash University, University of Toronto and IZA*)
Carl Lin (*Beijing Normal University and IZA*)
- Minimum Wages Impacts on Men's and Women's Employment in Developing Countries: Evidence for India**
Yana Rodgers (*Rutgers University*)
Nidhiya Menon (*Brandeis University*)
- Impact of Minimum Wage on Gender Wage Differentials in Urban China**
Ma Xinxin (*Kyoto University*)
Li Shi (*Beijing Normal University*)
- 3.30-4.00 Break
- 4.00-5.30 **Session IV: Inequality, Profits, and Migrants in China** (中国最低工资对收入不平等、企业利润及流动人口影响)
Chair: Terry Sicular (*University of Western Ontario*)
- Minimum Wages and Income Inequality in Urban China**
Carl Lin (*Beijing Normal University and IZA*)
Myeong-Su Yun (*Tulane University and IZA*)
- The Effect of Minimum Wage Policy on Firm Profits in China**
Deng Quheng (*Chinese Academy of Social Sciences*)
- The Impact of Minimum Wages on Migrant Workers' Wages**
Yang Juan (*Beijing Normal University*)
Morley Gunderson (*University of Toronto*)
- 7.00 Conference Dinner (Heshunfu restaurant 和順府)

October 19

Venue: Jingshi Xue Tang 京师学堂, 北京师范大学

- 9.00-10.30 **Session V: Minimum Wage Regulations in Developing, Transition, and Newly Industrialized Economies** (最低工资在发展中国家与新兴工业经济体的影响)
Venue: The Third Meeting Room 第三会议室
Chair: Albert Park (*Hong Kong University of Science and Technology*)
- Regional Variation of the Minimum Wage in China**
Xing Chunbing (*Beijing Normal University and IZA*)

Xu Jianwei (*Beijing Normal University*)

The Employment Effects of Changes in the Minimum Wage on the Low-paid Workers: Test for Structural Breaks

Mei Hsu (*National Taipei University*)

A Micro-Simulation-Based Estimation of the Effects of Minimum Wage Changes in the Philippines

David Margolis (*Paris School of Economics*)

10.30-11.00 Break

11.00-12.30 **Session VI: Formal and Informal Sectors** (最低工资对正式与非正式部门影响)

Chair: Haroon Borhat (*University of Cape Town*)

Minimum Wages, Unemployment and Informality: Evidence from Panel Data on Russian Regions

Alexander Muravyev (*Higher School of Economics (St. Petersburg branch) and IZA*)

Aleksey Oshchepkov (*Higher School of Economics (Moscow)*)

Labor Standards Inspections and the Evolution of Formal Employment in Brazil

Ana Abras (*University of Sao Paulo*)

Carlos Henrique L. Corseuil (*IPEA*)

Rita Almeida (*World Bank*)

Pedro Carneiro (*University College London and IFS*)

The Effects of Raising the Minimum Wage in a Country with a Large Informal Sector: Evidence from a policy change in Honduras

Andres Ham (*University of Illinois, Urbana-Champaign*)

12.30-2.00 Lunch (Buffet at Jingshi Hotel)

2.00-4.00 **Session VII: Enforcement and Compliance** (最低工资的政府执行力及企业遵守问题)

Venue: *The Second Meeting Room 第二会议室*

Chair: Elena Glinskaya (*World Bank*)

Enforcement and Partial Minimum Wage Compliance in South African Agriculture

Haroon Borhat (*University of Cape Town*)

Benjamin Stanwix (*University of Cape Town*)

The Consequences of Increased Enforcement of Legal Minimum Wages in a Developing Country: An Evaluation of the Impact of the Campaña Nacional de Salarios Mínimos in Costa Rica

Tim Gindling (*University of Maryland, Baltimore County*)

Compliance with Legal Minimum Wages in China

Ye Linxiang (*Nanjing University of Finance and Economics*)

Tim Gindling (*University of Maryland, Baltimore County*)

Li Shi (*Beijing Normal University*)

Minimum Wage Compliance and Effects on Wage Distribution

Uma Rani Amara (*ILO*)

Setareh Ranjbar (*University of Geneva*)

4.00-4.30 Break

4.30-5.30 **Session VIII: Policy Panel** (政策论坛, 5-10 minutes each discussant, 20 minutes Q&A, 中文及英文, 备有同声传译)

Chair: Li Shi (*Beijing Normal University*)

Uma Rani Amara (*ILO*)

Rudi Dicks (*Department of Performance Monitoring and Evaluation, South Africa*)

Su Hainan (*China Association for Labor Studies*)

Niny Khor (*Asian Development Bank*)

5.30-6.30 **Session IX: Research Gaps and Way Forward** (最低工资目前研究不足之处及未来研究方向)

Chair: Ravi Kanbur (*Cornell University*)

Haroon Borat (*University of Cape Town*)

Evan Due (*China Development Research Foundation*)

Albert Park (*Hong Kong University of Science and Technology*)

Edgard R. Rodriguez (*IDRC Canada*)

6.30-7.00 Conference Closing

7:10 Dinner (Jingshi Hotel 1st Floor)