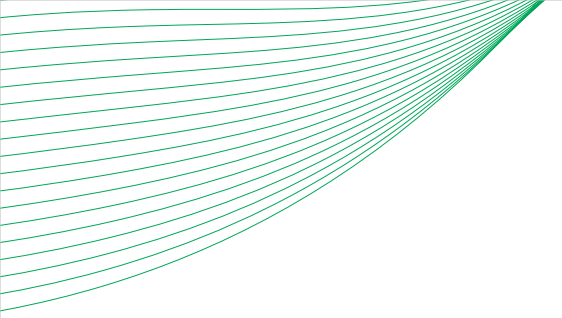




CTIER

SEMINAR SERIES

September 2022

CTIER CENTRE FOR
TECHNOLOGY, INNOVATION
AND ECONOMIC RESEARCH



Chirantan Chatterjee

U-Sussex, Hoover-Stanford, IIMA

Cross-Border Environmental Regulation and Firm Labor Demand

Professor Chirantan Chatterjee will present findings from his paper, "Cross-Border Environmental Regulation and Firm Labor Demand" co-authored with Dr. Pavel Chakraborty and Professor Anindya S. Chakrabarti.

Abstract: In 1994, due to environmental concerns, Germany banned a chemical called 'Azo-dyes', a primary input for the leather and textiles firms in India (a key exporter). Exploiting this as a quasi-natural experiment, we examine the effects of this cross-border regulatory change on labor compensation, particularly managerial, for both Indian upstream (dye-producing) and downstream (leather and textile) firms. We find that the regulation increased compensation of managers by 3.7--18% in dye-producing firms compared to other chemical firms. This is due to the combination of changes such as investing in R&D and product churning, due to the ban, which led to this change in within firm labor composition. This increase in overall compensation is driven only by fixed component (wages), consistent with the effects of a long-run shock. We find no such effects for downstream firms. We believe our study is one of the first to show that just like tariff, non-tariff barriers (NTBs) can also significantly affect within firm labor composition.



DATE

September 21st

TIME

6.00-7.00 p.m.

