

Lec5: Labor Market Equilibrium

Labor Economics, Fall 2024

Zhaopeng Qu

10/31/2024

Business School, Nanjing University



Introduction

- **Labor Supply:**
 - How does a worker decide whether he/she participate in the labor market or not, if he/she does, then how many hours he/she would like to work for a firm.
- **Labor demand:**
 - How firms respond to changes in costs for employees.
- **Labor Market equilibrium** coordinates the desires of firms and worker, determining the wage and employment observed in the labor market.

Introduction

- If markets are competitive and if firms and workers are free to enter and leave these markets, the equilibrium allocation of workers to firms is efficient. The market is efficient for the **invisible hand theorem**.
- The implication that competitive labor markets are efficient plays an important role in the framing of public policy.
- In fact, the impact of many government programs is often debated in terms of whether the particular policy leads to a more efficient allocation of resources or whether the efficiency costs are substantial.

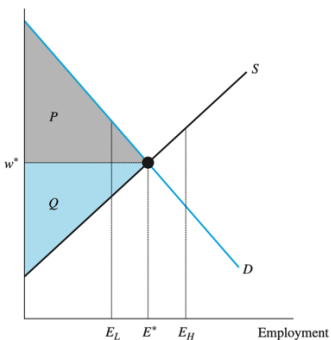
Competitive Equilibrium

Wage and Employment Determination

FIGURE 4-1 Equilibrium in a Competitive Labor Market

The labor market is in equilibrium when supply equals demand; E^* workers are employed at a wage of w^* . In equilibrium, all persons who are looking for work at the going wage can find a job. The triangle P gives the producer surplus; the triangle Q gives the worker surplus. A competitive market maximizes the gains from trade, or the sum $P + Q$.

Dollars



Efficiency: Pareto Efficiency

- It is important to note meaning of efficiency in economics, which is related with the concept of **Pareto Equilibrium**
 - which is the state quo that exists when all possible gains from trade have been exhausted.
 - The improvement of one person's welfare necessarily means the decrease of another's welfare.

Factors to Labor Supply

- Wage rates
- Nonwage Income
- Preference for work v.s leisure
- Technology for household works
- Nonwage aspects of the job
- Number of qualified suppliers

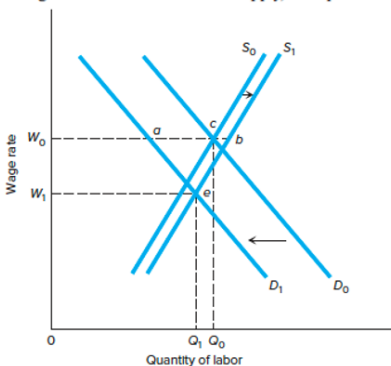
Factors to Labor Demand

- Product demand
- Productivity
- Price of other resources
- Number of employers

Changes in Demand, Supply and Market Equilibrium

FIGURE 6.3 Changes in Demand, Supply, and Market Equilibrium

Changes in labor supply and demand create initial shortages or surpluses in labor markets, followed by adjustments to new equilibrium wage rates and employment. Here the decline in demand from D_0 to D_1 and increase in supply from S_0 to S_1 produce an initial excess supply of ab at wage W_0 . Consequently, the wage rate falls to W_1 ; and because the decline in demand is large relative to the increase in supply, the equilibrium quantity falls from Q_0 to Q_1 .



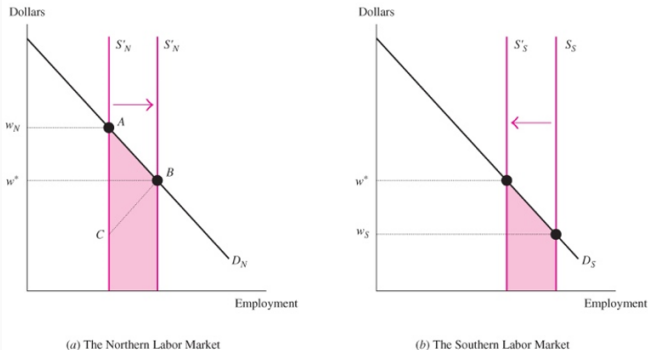
Competitive Equilibrium across Labor Market

- The economy typically consists of many labor markets, even for workers who have similar skills.
- eg: different regions/industrials/occupations/
- Suppose there are two regional labor markets in the economy, the south and north.
- For simplicity, the supply curves are represented by vertical lines, implying that supply is perfectly inelastic within each region.

Competitive Equilibrium across Labor Market

FIGURE 4-2 Competitive Equilibrium in Two Labor Markets Linked by Migration

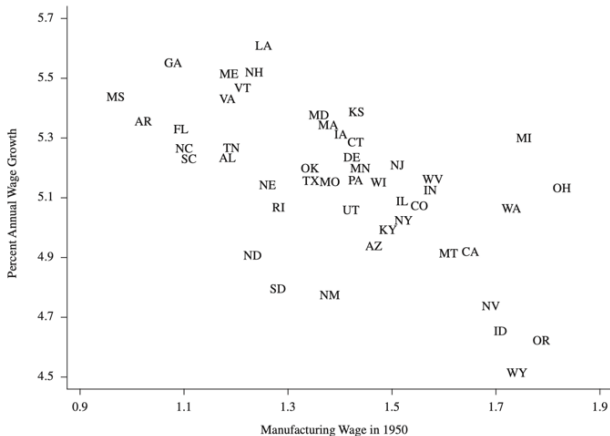
The wage in the northern region (w_N) exceeds the wage in the southern region (w_S). Southern workers want to move north, shifting the southern supply curve to the left and the northern supply curve to the right. In the end, wages are equated across regions (at w^*). The migration of workers reduces the gains from trade in the South by the size of the shaded trapezoid in the southern labor market, and increases the gains from trade in the North by the size of the larger shaded trapezoid in the northern labor market. Migration increases the total gains from trade in the national economy by the triangle ABC .



Convergence across States in U.S

FIGURE 4-3 Wage Convergence across States

Source: Olivier Jean Blanchard and Lawrence F. Katz, "Regional Evolutions," *Brookings Papers on Economic Activity* 1 (1992): 1-61.



Monopoly and Monopsony

Monopoly in Product Market

- Monopoly: A market with only a seller. So the firm is the price maker in the product market.
- Then the optimal production condition is

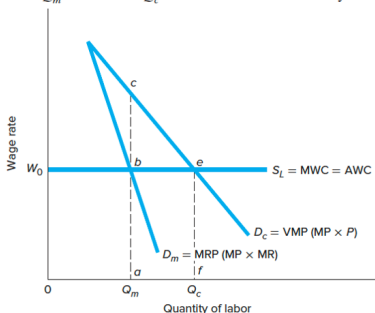
$$MRP_L = MR_P * MP_L = w$$

- Because $MR_P \leq P$
- So $MRP_L \leq VMP_L$

Monopoly in Product Market

FIGURE 6.6 Wage Rate and Employment Determination: Monopoly in the Product Market

Because a product market monopolist faces a downward-sloping demand curve, increased hiring of labor and the resulting larger output force the firm to lower its price. And because it must lower its price on all units, its marginal revenue (MR) is less than the price. Thus, the firm's MRP curve ($MP \times MR$) lies below the VMP curve ($MP \times P$), and this employer hires Q_m rather than Q_c units of labor. An efficiency loss to society of bce results.



Monopoly in Product Market

- The labor demand is steeper or less elastic than that of perfect competitive market.
- A lower level of employment
- The wage paid by the monopolist is the the same as that paid by competitive firm.
- Labor resources are misallocated.

Monopsony in Labor Market

- Monopsony: A market with only a buyer. So the firm is the price maker in the labor market.
- If the firm want to attract more workers toward this market, then it must increase the wage rate.

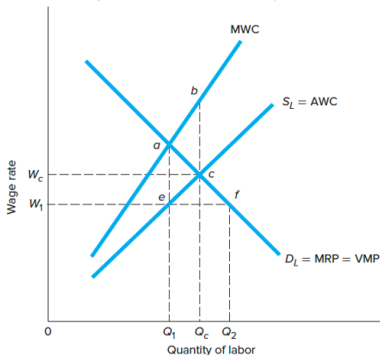
$$MC \neq w$$

- And if the firm cannot apply "wage discriminate", then it must pay the higher wage to all workers, including those who could have been attracted at a lower wage.

Monopsony in Labor Market

FIGURE 6.7 Wage Rate and Employment Determination Monopsony

The firm's MWC lies above the $S_L = AWC$ curve in a monopsonistic labor market. The monopsonist equates MRP with its MWC at point a and chooses to hire Q_1 units of labor. To attract these workers, it needs only pay W_1 an hour, as shown by point e . The firm thus pays a lower wage rate (W_1 rather than W_c) and hires fewer units of labor (Q_1 as compared to Q_c) than firms in a competitive labor market. Society loses area $eaac$ because of allocative inefficiency.



Market Structure: Labor and Product

TABLE 6.3
Wage Outcomes
of Labor Markets
without Unions

| | | Product Market Structure (Firm) | |
|-------------------------------|---|--|--|
| | | Perfect competitor in sale of product ($MR = P$) | Monopolist in sale of product ($MR < P$) |
| Labor Market Structure (Firm) | Perfect competitor in hire of labor ($MWC = W$) | $W = MRP = VMP$ (Figure 6.4) | $W = MRP$ $W < VMP$ (Figure 6.6) |
| | Monopsonist in hire of labor ($MWC > W$) | $W < MRP (= VMP)$ (Figure 6.7) | $W < MRP (< VMP)$ |

⁶ For a survey of theoretical and empirical studies of monopsony, see William M. Boal and Michael R. Ransom, "Monopsony in the Labor Market," *Journal of Economic Literature*, March 1997, pp. 86–112. See also Alan Manning, *Monopsony in Motion: Imperfect Competition in Labor Markets* (Princeton, NJ: Princeton University Press, 2003).

Policy Application

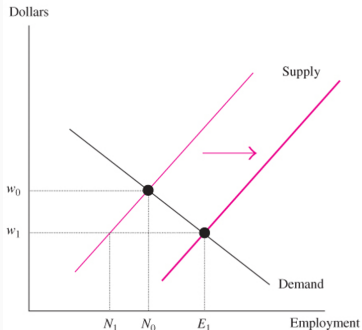
Policy Application: Migration

- Today, more and more people resident in a country where they were not born.
- Immigration debate in most receiving countries concerns that the impact of immigrants on the labor market opportunities of native-born workers.
- The answer partially is determined by the types of immigrants and native-borns, thus
- Substitution (替代) Vs Complements (互补)

Policy Application: Migration Extension

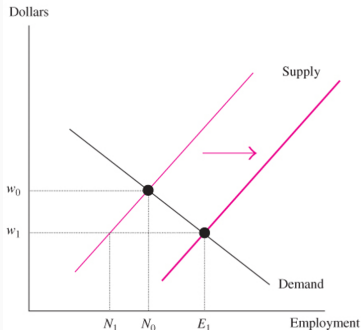
FIGURE 4-10 The Short-Run Impact of Immigration When Immigrants and Natives Are Perfect Substitutes

Because immigrants and natives are perfect substitutes, the two groups are competing in the same labor market. Immigration shifts out the supply curve. As a result, the wage falls from w_0 to w_1 , and total employment increases from N_0 to E_1 . Note that, at the lower wage, there is a decline in the number of natives who work, from N_0 to N_1 .



Policy Application: Migration Extension

FIGURE 4-10 The Short-Run Impact of Immigration When Immigrants and Natives Are Perfect Substitutes
Because immigrants and natives are perfect substitutes, the two groups are competing in the same labor market. Immigration shifts out the supply curve. As a result, the wage falls from w_0 to w_1 , and total employment increases from N_0 to E_1 . Note that, at the lower wage, there is a decline in the number of natives who work, from N_0 to N_1 .

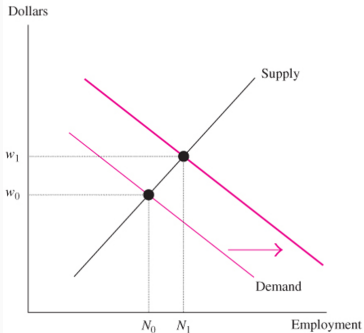


- As immigrants and natives are perfect substitutes, the two groups are competing in the same labor market. Immigration shifts out the labor supply curve.
- As a result, the wage falls from w_0 to w_1 , and total employment increases from N_0 to E_1 . At the lower wage, the number of natives who work declines from N_0 to N_1 .

Policy Application: Migration Extension

FIGURE 4-11 The Short-Run Impact of Immigration When Immigrants and Natives Are Complements

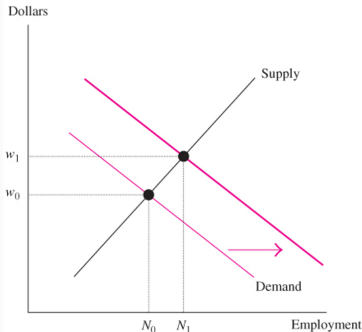
If immigrants and natives are complements, they are not competing in the same labor market. The labor market in this figure denotes the supply and demand for native workers. Immigration makes natives more productive, shifting out the demand curve even though capital is fixed. This leads to a higher native wage and to an increase in native employment.



Policy Application: Migration Extension

FIGURE 4-11 The Short-Run Impact of Immigration When Immigrants and Natives Are Complements

If immigrants and natives are complements, they are not competing in the same labor market. The labor market in this figure denotes the supply and demand for native workers. Immigration makes natives more productive, shifting out the demand curve even though capital is fixed. This leads to a higher native wage and to an increase in native employment.

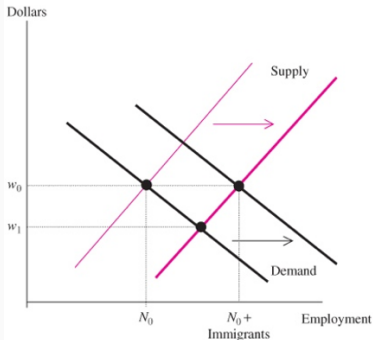


- If immigrants and natives are complements, they do not compete in the same labor market. The labor market here denotes the supply and demand for native workers.
- Immigration makes natives more productive, shifting out the labor demand curve. This leads to a higher native wage and to an increase in native employment.

Policy Application: Migration Extension

FIGURE 4-12 The Long-Run Impact of Immigration When Immigrants and Natives Are Perfect Substitutes

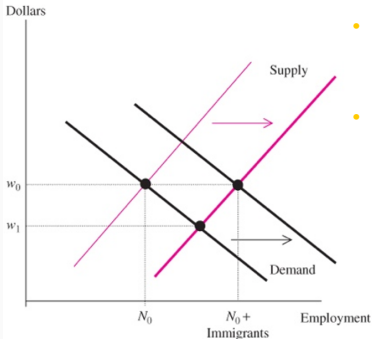
Because immigrants and natives are perfect substitutes, the two groups are competing in the same labor market. Immigration initially shifts out the supply curve. As a result, the wage falls from w_0 to w_1 . Over time, capital expands as firms take advantage of the cheaper workforce, shifting out the labor demand curve. If the aggregate production function has constant returns to scale, it must be the case that, after all capital adjustments have taken place, the wage is back at its initial level of w_1 . In addition, the long-run level of native employment is exactly what it was prior to the immigrant influx.



Policy Application: Migration Extension

FIGURE 4-12 The Long-Run Impact of Immigration When Immigrants and Natives Are Perfect Substitutes

Because immigrants and natives are perfect substitutes, the two groups are competing in the same labor market. Immigration initially shifts out the supply curve. As a result, the wage falls from w_0 to w_1 . Over time, capital expands as firms take advantage of the cheaper workforce, shifting out the labor demand curve. If the aggregate production function has constant returns to scale, it must be the case that, after all capital adjustments have taken place, the wage is back at its initial level of w_1 . In addition, the long-run level of native employment is exactly what it was prior to the immigrant influx.



- Immigration initially shifts out the labor supply curve so the wage falls from w_0 to w_1 .
- Over time, capital expands as firms take advantage of the cheaper workforce, shifting out the labor demand curve and restoring the original wage and level of native employment.

Immigration: Empirical Studies

- The most difficult is migrants who are self-motivated worker pursuing higher wage.
- So it is difficult by using the correlation across cities between **wages and immigrant densities** to measure the effect of immigrants on the labor market opportunities of natives.
- So we should underscore the value of a natural experiment that corresponds more closely to an **exogenous increase** in the supply of immigrants to a particular labor market.
- for instance, the experiences of the Miami labor market in the aftermath of **the Mariel Boatlift**.

Mariel Boatlift: Background

- The **Mariel Boatlift** was a mass emigration of Cubans who departed from Cuba's Mariel Harbor for the United States between **April 15 and October 31, 1980**.
- On April 20, 1980, **Castro** declared that Cuban nationals wishing to move to the United States could leave **freely** from the port of Mariel.
- From May to September 1980, over **125,000** Cuban immigrants arrived in Miami on a flotilla of privately chartered boats, thus **7%** growth to Miami labor market.
- It provides **a natural experiment** for exogenous labor supply to test the effect of immigrants on natives.

Mariel Boatlift



Marinel Boatlift



Immigration: Mariel Boatlift

- Empirical Strategies: DID
- Card(1990) use nearby cities such as Atlanta, Houston, LA... as the control group which experienced same economic trends during 1980-1985.

TABLE 4-2 Immigration and the Miami Labor Market

Sources: The Mariel flow data are drawn from David Card, "The Impact of the Mariel Boatlift on the Miami Labor Market," *Industrial and Labor Relations Review* 43 (January 1990), p. 251. The data for the Mariel flow that did not happen are drawn from Joshua D. Angrist and Alan B. Krueger, "Empirical Strategies in Labor Economics," in Orley C. Ashenfelter and David Card, editors, *Handbook of Labor Economics*, vol. 3A, Amsterdam: Elsevier, 1999, Table 7. The comparison cities are Atlanta, Houston, Los Angeles, and Tampa-St. Petersburg.

| | <u>The Mariel Flow</u> | | <u>The Mariel Flow That Did Not Happen</u> | |
|--------------------------------|------------------------|-------------|--|-------------|
| | Before | After | Before | After |
| Unemployment rate of blacks in | | | | |
| Miami | 8.3 | 9.6 | 10.1 | 13.7 |
| Comparison cities | 10.3 | 12.6 | 11.5 | 8.8 |
| Difference-in-differences | | -1.0 | | +6.3 |

Immigration: Mariel Boatlift

- Empirical Strategies: DID
- Card(1990) use nearby cities such as Atlanta, Houston, LA... as the control group which experienced same economic trends during 1980-1985.

TABLE 4-2 Immigration and the Miami Labor Market

Sources: The Mariel flow data are drawn from David Card, "The Impact of the Mariel Boatlift on the Miami Labor Market," *Industrial and Labor Relations Review* 43 (January 1990), p. 251. The data for the Mariel flow that did not happen are drawn from Joshua D. Angrist and Alan B. Krueger, "Empirical Strategies in Labor Economics," in Orley C. Ashenfelter and David Card, editors, *Handbook of Labor Economics*, vol. 3A, Amsterdam: Elsevier, 1999, Table 7. The comparison cities are Atlanta, Houston, Los Angeles, and Tampa-St. Petersburg.

| | The Mariel Flow | | The Mariel Flow That Did Not Happen | |
|--------------------------------------|-----------------|-------|-------------------------------------|-------|
| | Before | After | Before | After |
| Unemployment rate of blacks in Miami | 8.3 | 9.6 | 10.1 | 13.7 |
| Comparison cities | 10.3 | 12.6 | 11.5 | 8.8 |
| Difference-in-differences | -1.0 | | +6.3 | |

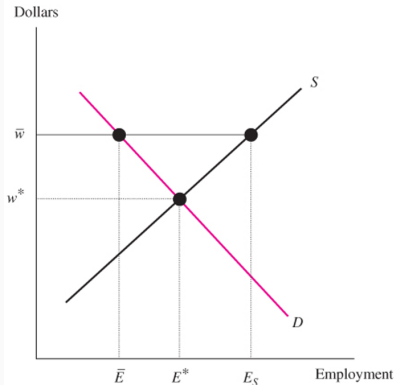
Policy Application: Minimum Wage

- A minimum wage is the **lowest** hourly, daily or monthly payment that employers may **legally** pay to workers.
- "the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract" by International Labor Organization(ILO)
- **Supporters**: it increases the standard of living of workers, reduces poverty, reduces inequality.
- **Critics**: actually increases poverty, increases unemployment (particularly among low productivity workers), and is damaging to businesses.

Policy Application: Minimum Wage

FIGURE 3-19 The Impact of the Minimum Wage on Employment

A minimum wage set at \bar{w} forces employees to cut employment (from E^* to \bar{E}). The higher wage also encourages ($E_S - E^*$) additional workers to enter the market. The minimum wage, therefore, creates unemployment.

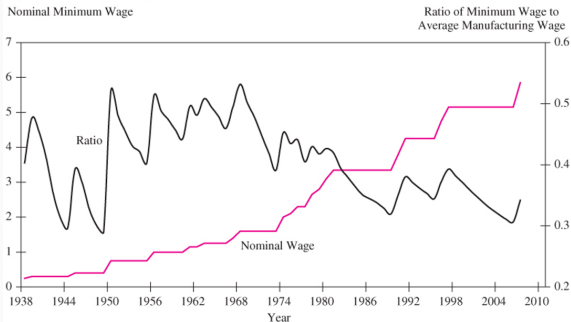


Minimum Wage in Reality

- Some Concerns about Minimum Wage
- 1) Real vs nominal wage

FIGURE 3-18 Minimum Wages in the United States, 1938–2007

Source: U.S. Bureau of the Census, *Statistical Abstract of the United States*, Washington, DC: Government Printing Office, various issues; U.S. Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970*, Washington, DC: Government Printing Office, 1975; and U.S. Bureau of Labor Statistics, *Employment and Earnings*, Washington, DC: Government Printing Office, January 2006.

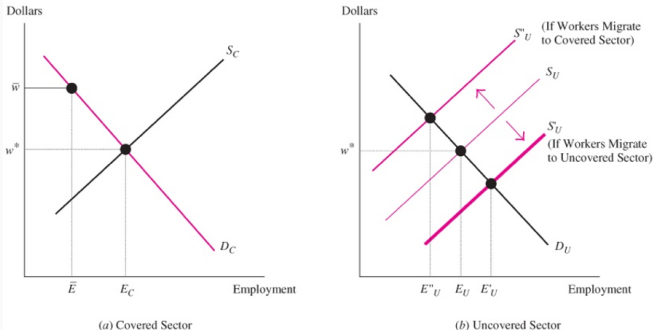


Minimum Wage in Reality

2) Covered and Uncovered Sectors

FIGURE 3-20 The Impact of Minimum Wages on the Covered and Uncovered Sectors

If the minimum wage applies only to jobs in the covered sector, the displaced workers might move to the uncovered sector, shifting the supply curve to the right and reducing the uncovered sector's wage. If it is easy to get a minimum-wage job, workers in the uncovered sector might quit their jobs and wait in the covered sector until a job opens up, shifting the supply curve in the uncovered sector to the left and raising the uncovered sector's wage.



- 3) Compliance with the Minimum Wage Law
 - There seems to be a great deal of noncompliance with the law in U.S.
 - Because the penalties are relative trivial to the companies.

Minimum Wage in China

- 1929 年颁布《工厂法》，1930 年南京国民政府正式批准了此前签署的国际劳动组织第 26 号公约—《最低工资办法公约》。
- 1936 年颁布和实施《最低工资法》，「成年工資以維持其本身足以供給無工作能力親屬二人之必要生活為準」，正式建立最低工资制度。
- 1984 年中华人民共和国承认《最低工资办法公约》。
- 1993 年发布了《企业最低工资规定》，这是新中国第一个关于最低工资的法律法规。
- 1995 年 1 月 1 日起开始施行的《中华人民共和国劳动法》规定“国家实行最低工资保障制度”。
- 2004 年 3 月，原劳动和社会保障部发布了《最低工资规定》取代 1993 年施行的《企业最低工资规定》。其中包含一个简要的最低工资测算方法。同时要求“最低工资标准每两年至少调整一次”。

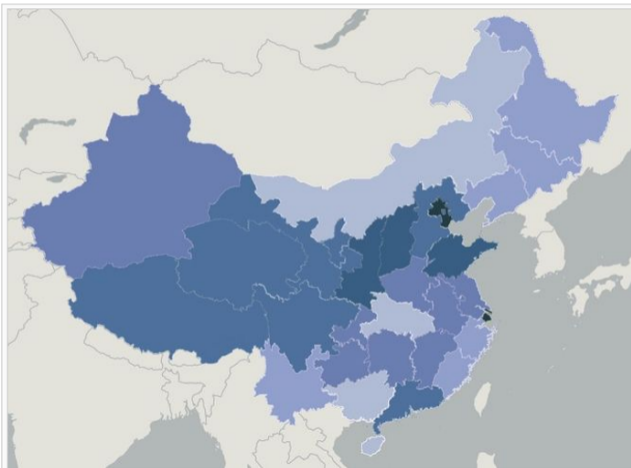
Minimum Wage in China

- 比重法：根据城镇居民家计调查资料，确定一定比例的最低人均收入户为贫困户，统计出贫困户的人均生活费用支出水平，乘以每一就业者的赡养系数，再加上一个调整数。
- 恩格尔系数法：根据国家营养学会提供的年度标准食物谱及标准食物摄入量，结合标准食物的市场价格，计算出最低食物支出标准，除以恩格尔系数，得出最低生活费用标准，再乘以每一就业者的赡养系数，再加上一个调整数。
- 在计算的最低月工资的标准上，再考虑职工个人缴纳社会保险费、住房公积金、职工平均工资水平、社会救济金和失业保险金标准、就业状况、经济发展水平等进行必要的修正。
- 各地可参照以上测算办法，根据当地实际情况合理确定月、小时最低工资标准。

Minimum Wage in China

- “十一五”（2006 至 2010 年）期间，我国最低工资标准年均提高 10%。但多数地区的最低工资标准仍达不到当地平均工资的40%。
- “十二五”期间，最低工资标准年均增长13%以上，绝大多数地区最低工资标准达到当地城镇从业人员平均工资的40%以上。“十二五”期间，全国平均最低工资标准年均增长速度为13.4%。
- 2016 至 2019 年，分别有 9 个、19 个、15 个和 8 个省份上调最低工资标准。全国平均月最低工资标准由 2016 年的 1598 元每月提高到 2019 年的 1810 元每月，年均增长率为4.2%。月最低工资标准占社会平均工资的比重保持在35%左右。
- 2020 年，因疫情影响、为支持企业复工复产，而暂缓最低工资标准的调整。仅有三个省份（广西、福建、青海）上调最低工资标准。
- 2021 年以来，已有江西、黑龙江、新疆、陕西四地上调最低工资标准，另有天津、西藏将于 7 月 1 日起，北京将于 8 月 1 日起上调最低工资标准。新华

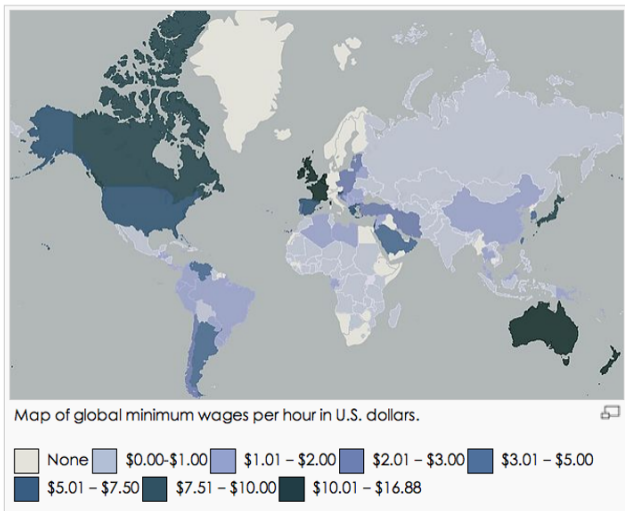
Minimum Wage in China in 2013(World Bank,2013)



Map of the lowest district minimum wage per hour in China's different provinces, 2013. The minimum wage in China ranges from ¥7.00 – ¥15.20, \$1.12 – \$2.43, or €0.84 – €1.82.



Global Minimum Wage in 2013(World Bank,2013)



Minimum Wage in China in 2024

单位: 元

| 地区 | 月最低工资标准 | | | | 小时最低工资标准 | | | |
|-----|---------|------|------|------|----------|------|------|------|
| | 第一档 | 第二档 | 第三档 | 第四档 | 第一档 | 第二档 | 第三档 | 第四档 |
| 北京 | 2420 | | | | 26.4 | | | |
| 天津 | 2320 | | | | 24.4 | | | |
| 河北 | 2200 | 2000 | 1800 | | 22 | 20 | 18 | |
| 山西 | 1980 | 1880 | 1780 | | 21.3 | 20.2 | 19.1 | |
| 内蒙古 | 1980 | 1910 | 1850 | | 20.8 | 20.1 | 19.5 | |
| 辽宁 | 1910 | 1710 | 1580 | 1420 | 19.2 | 17.2 | 15.9 | 14.3 |
| 吉林 | 1880 | 1760 | 1640 | 1540 | 19 | 18 | 17 | 16 |
| 黑龙江 | 1860 | 1610 | 1450 | | 18 | 14 | 13 | |
| 上海 | 2690 | | | | 24 | | | |
| 江苏 | 2490 | 2260 | 2010 | | 24 | 22 | 20 | |
| 浙江 | 2490 | 2260 | 2010 | | 24 | 22 | 20 | |
| 安徽 | 2060 | 1930 | 1870 | 1780 | 21 | 20 | 19 | 18 |
| 福建 | 2030 | 1960 | 1810 | 1660 | 21 | 20.5 | 19 | 17.5 |
| 江西 | 1850 | 1730 | 1610 | | 18.5 | 17.3 | 16.1 | |
| 山东 | 2200 | 2010 | 1820 | | 22 | 20 | 18 | |
| 河南 | 2100 | 2000 | 1800 | | 20.6 | 19.6 | 17.6 | |
| 湖北 | 2010 | 1800 | 1650 | 1520 | 19.5 | 18 | 16.5 | 15 |

Minimum Wage in China in 2024

| | | | | | | | | |
|-------|------|------|------|------|------|------|------|------|
| 广东 | 2300 | 1900 | 1720 | 1620 | 22.2 | 18.1 | 17 | 16.1 |
| 其中：深圳 | 2360 | | | | 22.2 | | | |
| 广西 | 1990 | 1840 | 1690 | | 20.1 | 18.6 | 17 | |
| 海南 | 2010 | 1850 | | | 17.9 | 16.3 | | |
| 重庆 | 2100 | 2000 | | | 21 | 20 | | |
| 四川 | 2100 | 1970 | 1870 | | 22 | 21 | 20 | |
| 贵州 | 1890 | 1760 | 1660 | | 19.6 | 18.3 | 17.2 | |
| 云南 | 1990 | 1840 | 1690 | | 19 | 18 | 17 | |
| 西藏 | 2100 | | | | 20 | | | |
| 陕西 | 2160 | 2050 | 1950 | | 21 | 20 | 19 | |
| 甘肃 | 2020 | 1960 | 1910 | 1850 | 21 | 20.5 | 20 | 19.5 |
| 青海 | 1880 | | | | 18 | | | |
| 宁夏 | 1950 | 1840 | 1750 | | 18 | 17 | 16 | |
| 新疆 | 1900 | 1700 | 1620 | 1540 | 19 | 17 | 16.2 | 15.4 |

注：本表数据时间截至2024年1月1日。

MW across Asia Pacifics (NWPC, PhL, 2020)

COMPARATIVE WAGES IN SELECTED COUNTRIES as of 31 January 2019

| Country/City | Daily Minimum Wages | | Monthly Minimum Wage | | Exchange |
|---|---------------------------------------|---------------|--|---------------------|------------|
| | In Country | In US\$ | In Country | In US\$ | Rate |
| | Currency | | Currency | | Per US\$1* |
| Bangladesh (<i>Taka</i>) | 266.67 ^{a1} | 3.21 | 8,000.00 ¹¹ | 96.42 | 82.9705 |
| Mongolia (<i>Tugrik</i>) | 8,000.00 ^{a1} | 3.06 | 240,000.00 ²¹ | 91.74 | 2616.1300 |
| Myanmar (<i>Kyat</i>) | 4,800.00 ³¹ | 3.19 | 144,000.00 ^{b1} | 95.78 | 1503.4100 |
| Lao PDR (<i>Kip</i>) | 36,666.67 ^{a1} | 4.33 | 1,100,000.00 ⁴¹ | 129.75 | 8477.5200 |
| Pakistan (<i>Rupee</i>) | - - 500.00 ^{a1} | - 3.61 | - 15,000.00 ⁵¹ | - 108.20 | 138.6290 |
| Cambodia (<i>Camb Riel</i>) | - - 22,666.67 ^{a1} | - 5.67 | - 680,000.00 ⁶¹ | - 170.00 | 4000.0000 |
| Vietnam (Region I & II) (<i>Dong</i>) | 110,666.67 - 125,000.00 ^{a1} | 4.79 - 5.41 | 3,320,000.00 - 3,750,000.00 ⁷¹ | 143.59 - 162.19 | 23120.9000 |
| PhL/Region XI | 381.00 396.00 ⁸¹ | 7.29 - 7.58 | 11,430.00 - 11,880.00 ^{b1} | 218.65 - 227.26 | 52.2747 |
| PhI/Region VII | 313.00 - 386.00 ⁹¹ | 5.99 - 7.38 | 9,390.00 - 11,580.00 ^{b1} | 179.63 - 221.52 | 52.2747 |
| PhI/Region III | 274.00 - 400.00 ¹⁰¹ | 5.24 - 7.65 | 8,220.00 - 12,000.00 ^{b1} | 157.25 - 229.56 | 52.2747 |
| PhI/Region IV-A | 303.00 - 400.00 ¹¹¹ | 5.80 - 7.65 | 9,090.00 - 12,000.00 ^{b1} | 173.89 - 229.56 | 52.2747 |
| Indonesia (<i>Rupiah</i>) | 44,591.50 - 111,858.33 ^{a1} | 3.16 - 7.93 | 1,337,745.00 - 3,355,750.00 ¹²¹ | 94.83 - 237.89 | 14106.6000 |
| Malaysia (<i>Ringgit</i>) | 30.67 - 33.33 ^{a1} | 7.47 - 8.12 | 920.00 - 1,000.00 ¹³¹ | 224.14 - 243.63 | 4.1045 |
| PhI/NCR | 500.00 - 537.00 ¹⁴¹ | 9.56 - 10.27 | 15,000.00 - 16,110.00 ^{b1} | 286.95 - 308.18 | 52.2747 |
| Thailand (<i>Baht</i>) | 308.00 330.00 ¹⁵¹ | 9.83 10.53 | 9,240.00 9,900.00 ^{b1} | 294.88 315.94 | 31.3353 |
| China (<i>Yuan Renminbi</i>) | 47.00 - 73.33 ^{a1} | 7.00 - 10.92 | 1,410.00 - 2,200.00 ¹⁶¹ | 210.01 - 327.68 | 6.7138 |
| Hongkong (<i>SHK</i>) | 276.00 ¹⁷¹ | 35.19 | 8,280.00 ^{b1} | 1,055.66 | 7.8434 |
| Taiwan (<i>Taiwan Dollar</i>) | 1,120.00 ¹⁸¹ | 36.41 | 33,600.00 ^{b1} | 1,092.35 | 30.7594 |
| South Korea (<i>Won</i>) | 66,800.00 ¹⁹¹ | 59.90 | 2,004,000.00 ^{b1} | 1,796.94 | 1115.2300 |
| Japan (<i>Japan Yen</i>) | 5,896.00 - 7,664.00 ²⁰¹ | 53.93 - 70.10 | 176,880.00 - 229,920.00 ^{b1} | 1,617.85 - 2,102.99 | 109.3300 |
| New Zealand (<i>NZ Dollar</i>) | 105.60 - 132.00 ²¹¹ | 72.34 - 90.43 | 3,168.00 - 3,960.00 ^{b1} | 2,170.32 - 2,712.90 | 1.4597 |
| Australia (<i>Aus. Dollar</i>) | 151.44 ²²¹ | 109.12 | 4,543.20 ^{b1} | 3,273.53 | 1.3879 |

MW across Asia Pacifics (NWPC,PhL,2022)

COMPARATIVE WAGES
IN SELECTED COUNTRIES
as of 29 December 2021

| Country/City | Daily Minimum Wages | | | | Monthly Minimum Wage | | | | Exchange Rate Per US\$1* |
|--------------------------------|---------------------------------------|--------------------------|---------|--------|---|-----------------------------|------------|----------|--------------------------|
| | In Country Currency | | In US\$ | | In Country Currency | | In US\$ | | |
| Myanmar (Kyat) | 4,800.00 ^{1/} | | 2.73 | | 144,000.00 ^{6/} | | 81.88 | | 1758.7400 |
| Bangladesh (Taka) | 270.00 ^{4/} | | 3.21 | | 8,100.00 ^{2/} | | 96.19 | | 84.2040 |
| Lao PDR/(Kip) | 36,666.67 ^{4/} | | 3.34 | | 1,100,000.00 ^{3/} | | 100.14 | | 10984.4000 |
| Pakistan/(Rupee) | 666.67 | 833.33 ^{4/} | 3.76 | 4.70 | 20,000.00 - | 25,000.00 ^{4/} | 112.72 | 140.90 | 177.4270 |
| Mongolia (Tugrik) | 14,000.00 ^{4/} | | 5.34 | | 420,000.00 ^{5/} | | 160.31 | | 2620.0000 |
| Cambodia/(Camb Riel) | 24,933.33 | 25,600.00 ^{4/} | 6.40 | | 748,000.00 - | 768,000.00 ^{6/} | 187.00 | 192.00 | 4000.0000 |
| Vietnam (Region I & II)/(Dong) | 130,666.67 - 147,333.33 ^{4/} | | 5.72 - | 6.45 | 3,920,000.00 - 4,420,000.00 ^{7/} | | 171.66 - | 193.55 | 22836.4000 |
| PhL/Region XI | 381.00 | 396.00 ^{8/} | 7.56 | 7.85 | - 11,880.00 ^{6/} | | - 235.58 | | 50.4297 |
| PhI/Region IV-A | 317.00 - | 400.00 ^{8/} | 6.29 - | 7.93 | 9,510.00 - | 12,000.00 ^{6/} | 188.58 - | 237.96 | 50.4297 |
| PhI/Region VII | 356.00 - | 404.00 ^{10/} | 7.06 - | 8.01 | 10,680.00 - | 12,120.00 ^{6/} | 211.78 - | 240.33 | 50.4297 |
| PhL/Region III | 369.00 - | 420.00 ^{11/} | 7.32 - | 8.33 | 11,070.00 - | 12,600.00 ^{6/} | 219.51 - | 249.85 | 50.4297 |
| Malaysia (Ringgit) | 36.67 | 40.00 ^{4/} | 8.77 | 9.57 | 1,100.00 | 1,200.00 ^{12/} | 263.11 - | 287.03 | 4.1807 |
| Indonesia (Rupiah) | 58,833.33 - | 147,206.20 ^{4/} | 4.14 - | 10.35 | 1,765,000.00 - | 4,416,186.00 ^{13/} | 124.11 - | 310.54 | 14221.0000 |
| Thailand/(Baht) | 313.00 | 336.00 ^{14/} | 9.35 - | 10.03 | 9,390.00 - | 10,080.00 ^{6/} | 280.40 - | 301.01 | 33.4875 |
| PhI/NCR | 500.00 - | 537.00 ^{15/} | 9.91 - | 10.65 | 15,000.00 - | 16,110.00 ^{6/} | 297.44 - | 319.45 | 50.4297 |
| China/(Yuan Renminbi) | 52.67 - | 86.33 ^{4/} | 8.27 - | 13.56 | 1,580.00 - | 2,590.00 ^{16/} | 248.16 - | 406.79 | 6.3669 |
| Hongkong/(\$HK) | 300.00 ^{17/} | | 38.47 | | 9,000.00 ^{6/} | | 1,154.01 | | 7.7989 |
| Taiwan/(Taiwan Dollar) | 1,280.00 ^{18/} | | 46.30 | | 38,400.00 ^{6/} | | 1,389.03 | | 27.6452 |
| South Korea/(Won) | 69,760.00 ^{19/} | | 58.77 | | 2,092,800.00 ^{6/} | | 1,763.12 | | 1186.9900 |
| Japan/(Japan Yen) | 6,560.00 - | 8,328.00 ^{20/} | 57.13 - | 72.53 | 196,800.00 - | 249,840.00 ^{1/} | 1,714.00 - | 2,175.95 | 114.8190 |
| New Zealand/(NZ Dollar) | 128.00 - | 160.00 ^{21/} | 87.16 - | 108.95 | 3,840.00 - | 4,800.00 ^{6/} | 2,614.72 - | 3,268.40 | 1.4686 |
| Australia/(Aus. Dollar) | 162.64 ^{22/} | | 117.73 | | 4,879.20 ^{6/} | | 3,531.92 | | 1.3815 |

Minimum Wage in China

- 马双、张劼和朱喜，《最低工资对中国就业和工资水平的影响》，《经济研究》，2012 年第 5 期。
- 主题：最低工资对就业和工资的影响
- 数据：最低工资数据、工业企业调查数据（1998-2007）
- 方法：Difference-in-Differences
- 结论：1) 最低工资上涨可以从整体上提高员工的工资水平。最低工资每增加 10%，企业平均工资将增加 0.3% -0.6%
- 结论：2) 最低工资每增加 10%，企业雇佣人数将显著减少 0.6% 左右

Discussion

Discussion: New Labor Contract Law

- 2008 年 1 月 1 日,《劳动合同法》正式实施。
- “新劳动合同法”从制定开始就一直保守争议: 焦点在于是否过于偏向劳工, 导致企业雇佣不够灵活。
- 正方观点:
 - [财政部长\(前\)楼继伟批评劳动合同法弊端引争议](#) (2016 年“两会”)
- 反方观点:
 - [人民大学教授常凯表示“经济下行期, 不能拿劳工开刀”。](#)
- **Q: What are your opinions?**

Reading: New Labor Contract Law

《劳动合同法》助力发展模式转型——专访中国人民大学劳动人事学院教授常凯

2016年04月29日 [APP打开](#)

《劳动合同法》要进行观念调整与制度改造

2016年04月29日 [APP打开](#)

《劳动合同法》的十大失衡与修法建议

2016年03月09日 [APP打开](#)

王天玉：《劳动合同法》修订需要接地气

2016年03月17日 [APP打开](#)

王天玉：如何看楼继伟讲话背后的《劳动合同法》之争

2016年02月23日 [APP打开](#)



楼继伟：下一步要修改劳动合同法

2016年02月19日 [APP打开](#)

