

TERMS OF REFERENCE FOR 11TH ROUND OF SANEI

Growth, Employment, Poverty Nexus in the Current Financial Crisis

It is now well recognized that while growth is a necessary condition for poverty alleviation it is in itself not a sufficient one. Many developing countries have witnessed periods of high economic growth with little or no favourable impact on the level of poverty.

It is also now well established that the creation of productive and remunerative employment has proven to be the most effective means of reducing poverty in developing countries.

Economic growth therefore which is job-generating or employment-intensive will result in reducing poverty. The extent to which growth translates itself into productive and remunerative employment depends upon the incentive structure (viz., relative prices of capital and labour, trade regime), available technology and the functioning of the labour market.

As the current financial crisis unfolds itself into the countries of South Asia its immediate impact is on reducing, in some cases drastically, the rate of economic growth with corresponding increase in unemployment, underemployment and poverty.

The aim of the research studies to be undertaken in SANEI's 11th Round of Research is to examine this nexus, i.e., how countries growth, employment and poverty have been affected by the current financial crisis including measures adopted to cushion this impact through the provision of well targeted safety nets and other social protection measures.

These studies can analyze this growth-employment-poverty nexus:

- Across countries in the South Asia region;
- Individual country experience;
- Sub-regional or experiences at the provincial level; or
- Local level experiences

The studies need to carefully analyze the macro as well as labour market impact of the current financial crisis and of measures adopted including new initiatives to provide support to the vulnerable and those who were made redundant or adversely

impacted as a result of the economic slow down. The studies should also analyze the loss of jobs in the formal sector and its spillover into the informal and rural economy with corresponding impact on wages, incomes and poverty.

Each research proposal will make explicit the issue chosen for the analysis, the research methodology and the data to be used in the analysis, likely result and the budget. The relevant deadlines details and format of the proposal can be found in “**11th Call for Proposals**” document.