The University of Queensland - IIT Delhi Academy of Research Joint PhD Project

PROJECT TITLE	**TALENT ALLOCATION IN THE INDIAN ECONOMY: MEASUREMENT AND POLICY IMPLICATIONS**
PROJECT CODE	**UQIDAR 00145**
PROJECT DESCRIPTION	Various features of the Indian labor market spanning regulation, financial constraints, and social norms naturally translate into a suboptimal allocation of workers' talent across productive units. In turn, such misallocation can lead to significant losses in aggregate productivity, as highlighted by a recent body of research (see Restuccia and Rogerson (2013), or Hopenhayn (2014) for surveys). This project proposes a novel macroeconomic framework to systematically analyze the sources of talent misallocation in the Indian economy. Through those lenses, we aim at improving upon existing methodologies for measuring the misallocation of talent in India, and to evaluate the role of fiscal policy in mitigating such distortions. The project will yield both positive and normative insights, and it is organized around four main components. Component 1 builds a structural model pinning down the possible sources of talent misallocation within the Indian context. Component 2 quantifies the inputs of the model using firm-level data, as well as household level data on wages and occupations. Component 3 computes the relative significance of each of the sources of talent misallocation in India across occupations and sectors. Finally, Component 4 looks at the optimal design of a rich tax-transfers system balancing redistribution and efficiency. For this last component we focus on two main themes: (i) the extent to which productive inefficiencies can be rationalized by redistributive goals, and (ii) the magnitude of the welfare gains from implementing the optimal tax-transfers system. References: * Hopenhayn, Hugo (2014). Firms, Misallocation, and Aggregate Productivity. In Kenneth J. Arrow and Timothy F. Bresnahan (Eds.), Annual Review of Economics 6, 735-770. * Restuccia, Diego and Richard Rogerson (2013). Misallocation and Productivity: Editorial. Review of Economic Dynamics 16(1), 1-10.
PROJECT OUTCOMES	- Advance knowledge in the area of macroeconomics and labor economics, with particular emphasis on Indian macroeconomic issues - Disseminate research findings via publications in peer-reviewed high-quality journals, seminar and conference presentations, and through the media - Provide a basis for applying for external funding in 2020 (through the Australian Research Council, Indian Council for Social Science Research or through other agencies) - Shed light on ongoing policy discussions around the Indian governments role in improving upon labor market outcomes
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TYPE OF STUDENT	Applications are open to i/a students who meet eligibility criteria. note: i-students must have own scholarship to apply (CSIR, UCG-NET, etc)
DISCIPLINE BACKGROUND OF STUDENT	Ideally, this project requires students with a background in economics, statistics, mathematics, engineering.
IDEAL CANDIDATE	• Economics background. • Bachelor with a high degree of achievement (e.g., first class Honours), and Masters degree in the following (or related) subjects: 1. Economics 2. Statistics 3. Mathematics 4. Engineering or Integrated M. Sc. Economics
APPLICATION PROCESS	Apply online by the due date: https://www.uqidar.org/students/how-to-apply/