

**CENTRE FOR STUDIES IN SOCIAL SCIENCES, Calcutta**  
R 1 BAISHNABGHATA PATULI, KOLKATA 700094

**ECONOMICS STUDY GROUP SEMINAR**

**Rita Biswas**

University at Albany, SUNY Albany

shall present

**" The Impact of Labor Rights on Equity Market Returns:  
A Cross-Country Analysis "**

**Abstract:** There is ample evidence that financial market development leads to economic growth. If improving labor rights can be shown to positively influence equity markets, then that, in turn, will lead to economic growth. The finance literature has examined the impact of a broader metric, namely, the Economic Freedom Index, on equity returns worldwide and the evidence is mixed. This study focuses on one dimension of economic freedom: labor rights. Specifically, the study analyzes the impact of labor rights on national equity market indexes, using the Labor Rights Index developed by the Organization for Economic Co-operation and Development (OECD) and the Fraser Institute (FI). Using panel regression analysis for 49 countries (for the OECD Index) and 76 countries (for the FI Index) over the period 1985 through 2014, the study finds that changes in labor rights have a statistically significant positive impact on equity returns, after controlling for business-cycle effects and time fixed effects. The study also finds significant differences in the Labor-Rights-Equity Returns relationship between developed and less developed economies.

**Date:** Thursday, 19<sup>th</sup> July, 2018

**Time:** 3 pm

Venue: CSSSC's Seminar Room, Patuli Campus

All are welcome to attend.

Dr. Tushar Nandi  
(Convener, Seminar Sub-Committee)