

Employment Adjustments to Increased Imports: Evidence from a Developing Country

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Paper Abstract: This paper examines the impact of imports from OECD countries on industry-specific employment in India between the years of 1983 and 2010. The identification strategy relies on comparing differential changes in import exposure across regions to the differential changes in employment within industries. The variation in the changes in high income OECD imports to other developing countries is used to identify the component of the changes in imports that is driven by world demand. The results suggests that the increase in import exposure from OECD countries during the post-liberalization period reduced agricultural employment in India, but increased its employment in manufacturing, business services, and social services. No significant impacts were found in the pre-liberalization period.