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TITLE: DECOMPOSITION OF LABOUR DEMAND BY EMPLOYER SECTORS AND GENDER FOR TURKEY

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ABSTRACT:

The Turkish economy is characterized by growth without employment in the last decade. Increased penetration of imports (both intermediate and final) in the favorable environment of foreign portfolio flows and overvalued exchange rate contributed towards high (around 10 %) unemployment. The already low rate of labor participation of women decreased in due course. The quick recovery of the Turkish economy from the severe crisis in 2001was due to the favorable conditions in the world economy, but the current global crisis poses serious threats for employment in the near future for both genders. This paper attempts to predict the intersectoral impacts on employment of contractions in final demand using the latest available I-O data for 2002. Our focus will be on the positions of major exporting sectors (clothing, textiles, motor vehicles, transportation, basic metals and trade) which form 54 % of total exports in 2002. The common practice for finding direct and indirect labor requirements (by occupation or gender) in response to final demand involves multiplication of the direct labor coefficients matrix (L) by the Leontief inverse (R). A typical element of E (= LR), elk , shows demand for various categories of labor (l) induced by final demand (policy) sector (k). We propose to improve the information content by capturing another dimension of employment generation, which is the employer sector (j). Decomposition of elk with respect to the employer sector (j), that is eljk , then shows the requirements for labor category l induced in the employer sector (j) by final demand of k. This is a very crucial aspect with a wide range of implications for gender-specific and/or sector-specific policy design. We will estimate L by gender from household survey data. The I-O data (R) for 2002 for 59 sectors will be the basis for finding E for Turkey. An exploratory analysis of power series expansion of E will be made and labor backward linkages will be compared with total flow coefficients.