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Trade and Labor Demand: A Study on Turkish Manufacturing

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ABSTRACT

This paper aims to analyze the impact of international trade on labor demand in Turkish manufacturing industry. We made our analysis using the firm-level production and trade data of Turkish manufacturing industry for 2003-2013. We used GMM (Generalized Methods of Moments) and Random Effects models to explore the impact of international trade on labor demand. The estimations were carried out for different technology oriented industries, firm sizes, and 2-digit NACE sub-industries to check if the labor demand dynamics change. The results showed that both manufacturing exports and imports have significant and positive impact on the labor demand of the firm.

KEYWORDS Trade and Labor Market Interactions; Labor demand; Manufacturing; Industry; Turkey

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