

# **Export and Employment in China: An Input-Output Analysis**

Ha Thi Thanh Doan

*Asian Development Bank Institute*

Long Quang Trinh

*Central Institute for Economic Management;*

*Asian Development Bank Institute*

## Abstract:

Utilizing the newly constructed China Industrial Productivity Database covering the period from 1981 to 2010, we investigate the impact of exports on employment, taking into account inter-industry linkages. We first employ non-parametric approach following Kiyota (2012) to measure implied employment generated from exports and domestic final demand. We also apply parametric analysis to investigate the long-term relationship between export and employment. Our data includes the year 2001 when China joined the WTO. Our findings are twofold. First, export is an important contributor to overall employment, accounting for as much as 20 percent on average of total implied employment. Second, we observe a remarkable increase of the proportion of employment generated from exports after 2001. In particular, the ratio of implied employment from export to total employment rose from approximately 13 percent in the pre-2001 period to approximately 30 percent in the 2001-2010 period. Our parametric analysis using Pooled Mean Group estimation further confirms the long-run importance of export to employment growth both through direct and indirect linkages.

## Reference

Kiyota, Kozo, "Exports and Jobs: The Case of Japan, 1975–2006," *Contemporary Economic Policy*, 30(4), pp. 566–583, October 2012.