

ESTIMATION OF SHORT TERM EMPLOYMENT ELASTICITY: AN EMPIRICAL ANALYSIS OF INDIAN MANUFACTURING INDUSTRIES

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ABSTRACT

The present study is composed to investigate the employment elasticity with respect to output, and wages and lagged employment for 2- digit Indian manufacturing Industries. The data used in this study were collected from the period of 2000 to 2012. The multi- variable regression analysis technique is used to identify the significant impact of selected independent variables on dependent variable. The model for the study was estimated by using the ordinary least square (OLS) technique. Finding of research reveal that employment elasticity with respect to output, wages and lagged employment are positive but inelastic.

Keywords: Employment Elasticity, Multi-Variable Regression, Ordinary Least Square, Manufacturing Industries.